

COUNTY OF LAKE

State of California

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014

Brassfield Estate



Cathy Saderlund
Auditor-Controller

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COUNTY OF LAKE, CALIFORNIA
Comprehensive Annual Financial Report

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COUNTY OF LAKE

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matt.perry@lakecountyca.gov

Cathy Saderlund
Auditor-Controller/County Clerk

Matt Perry
County Administrative Officer

December 22, 2014

The Honorable Board of Supervisors
County of Lake
255 N. Forbes Street
Lakeport, CA 95453

To the Board of Supervisors and Citizens of Lake County

It is our pleasure to present the County of Lake Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This report is submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Responsibility for the accuracy of data, and the completeness and fairness of the presentation rests with management. To the best of our knowledge and belief, the data presented are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the County of Lake.

Independent auditor Gallina, LLP Certified Public Accountants, has issued an unqualified ("clean") opinion on the County of Lake's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) provides a narrative introduction, overview and analysis of the financial statements. It is located immediately following the independent auditor's report and serves to complement this letter of transmittal.

Profile of the Government

Established in 1861, Lake County is a general law county governed by a five-member Board of Supervisors. The County encompasses 1320 square miles and is divided into five supervisorial districts. Policy making and legislative authority rests with the five-member County Board of Supervisors who serve four-year staggered terms. The Board of Supervisors uses the appointed County Administrative Officer organizational structure to carry out policies set forth by County Ordinance and Resolution. Other elected officials of the County of Lake are the Assessor-Recorder, District Attorney, Auditor-Controller/County Clerk, Sheriff-Coroner and Treasurer-Tax Collector. The voters of Lake County choose these public officials for four-year terms. Additional management consists of sixteen department heads appointed by the Board of Supervisors, one appointed by the University of California, and one appointed by the Lake County Superior Court Judges.

California counties are a political subdivision of the State of California and serve the needs of residents within the boundaries of each individual county. Lake County serves the needs of local residents by providing public safety, highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. The County also acts as an administrative agent for state and federal government programs and services.

The County is required by state law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The

legal level of budgetary control is maintained at the fund, department, and object level with more stringent control over capital assets, and fund balance categories, which are maintained at the line item level. The Board must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to approve transfers of appropriations between object levels within the same department to the County Administrative Officer.

Policy and Executive

Jim Comstock
Supervisor, District 1

Jeffrey Smith
Supervisor, District 2

Denise Rushing
Supervisor, District 3

Anthony Farrington
Supervisor, District 4

Rob Brown
Supervisor, District 5

Matt Perry
County Administrative Officer

Anita Grant
County Counsel

Law Enforcement/Public Safety

Francisco Rivero
Sheriff-Coroner

Don Anderson
District Attorney

Bill Davidson
Animal Control Director

Rob Howe
Probation Officer

Health and Public Assistance

Jim Brown
Health Services Director/VSO

Doug Gearhart
Air Pollution Control Officer

Gail Woodworth
Director of Child Support Services

Kristy Kelly
Behavioral Health Director

Carol Huchingson
Social Services Director

Community Resources and Facilities

Steve Hajik
Agricultural Commissioner

Christopher Veach
Librarian

Caroline Chavez
Public Services Director

Mark Dellinger
Special Districts Administrator

Greg Giusti
UC Coop/Farm Advisor

Rick Coel
Community Development Director

Scott DeLeon
Public Works Director/DWR

General Government and Support Services

Doug Wacker
Assessor-Recorder

Barbara Ringen
Treasurer-Tax Collector

Cathy Saderlund
Auditor-Controller/County Clerk

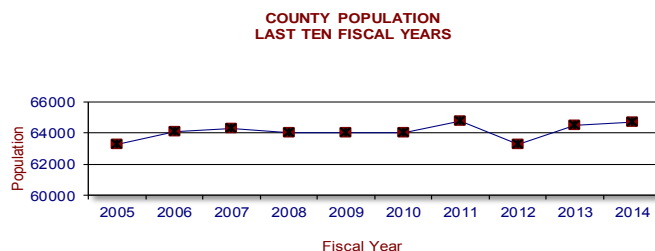
Kathy Ferguson
Human Resources Director

Diane Fridley
Registrar of Voters

Shane French
Information Technology Director

County Geography and Demographics

Lake County is located a 2 hour drive time from the San Francisco Bay area and the Sacramento metropolitan area. It is approximately 127 road miles north of San Francisco, 126 road miles west of Sacramento, and 80 road miles east of the Pacific Coast. Lake County is bordered by the counties of Napa, Sonoma, Mendocino, Glenn, Colusa and Yolo and covers an area of approximately 803,840 acres.



The State Department of Finance estimated Lake County's population as of January 1, 2014, to be 64,699. The population for the two cities in Lake County, Clearlake and Lakeport as of January 1, 2014, was estimated to be 15,194 and 4,807 respectively.

Economic Condition and Outlook

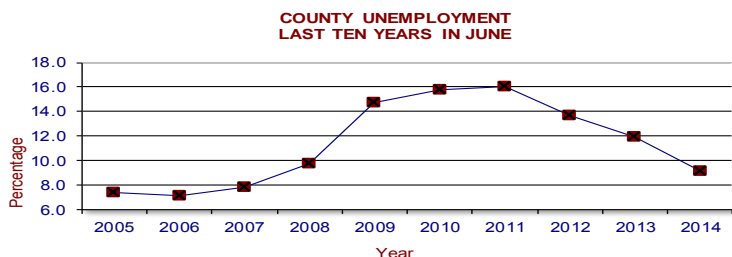
Lake County's economy has historically been based on agriculture and tourism, both of which continue to be an integral part of our community and important contributors to the County's tax base. The collection of transient occupancy taxes decreased significantly beginning in fiscal year 2008/2009. However, signs of recovery are apparent as the amount collected in fiscal year 2013/2014 was about \$219,000 more than the amount collected in the previous fiscal year. The amount received in fiscal year 2013/2014 was 70% of the amount collected in fiscal year 2007/2008.

Another declining revenue source the past several years has been construction permits. After declining by approximately 30% annually each year from fiscal year 2006/2007 to 2009/2010 and an additional 7% in fiscal year 2010/2011, permit revenues have begun to show modest recovery. In fiscal year 2012/2013 construction permit revenue increased by 5% and in fiscal year 2013/2014 the positive trend continued with an additional 19% increase.

As of the lien date of January 1, 2014, the value of taxable properties on the County's property tax roll was slightly less than the prior year, continuing a decline which totals 4.27% since the lien date of January 1, 2009. Although the roll value declined as of the lien date of January 1, 2014 compared to the prior year, the percentage of the decline was not as great as the prior year. The real estate market in Lake County traditionally recovers a few years after the market in Sonoma County; Sonoma County is beginning to recover from the recession. Therefore, County staff is cautiously optimistic that the real estate market in Lake County will see a strong recovery in the coming years.

Another sign of a recovering economy in Lake County is that after declining the past few years, sales taxes increased in fiscal year 2012/2013 to 95% of the amount received in fiscal year 2008/2009. Sales tax collections appear to be stabilizing and the amount collected in fiscal year 2013/2014 was approximately 93% of the amount collect in fiscal year 2008/2009.

Since transient occupancy taxes, building permits, property taxes, and sales taxes are significant sources of locally generated County revenues County staff anticipates a continuing challenge to meet the demands for public services and maintain a structurally balanced budget until such revenues rebound to pre-recession levels.



As of June 2014, the County's unemployment rate was 9.1% and Lake County was ranked number 41 out of 58 counties. The statewide average at that same time was 7.3%. The County unemployment rate during June of the previous year was 11.9%, an indicator of a modestly improving unemployment rate in the County, yet still below the statewide average.

The County operates an aggressive marketing and economic development program, with a goal of expanding and diversifying the local tax base. The development of a rural, satellite campus by Marymount California University, a private four year college based in Palos Verdes, California, in Lake County will further improve and expand the local economy.

The State mandated dissolution of redevelopment agencies of the County of Lake, City of Lakeport, and City of Clearlake has redirected tax increment monies formerly provided to the redevelopment agencies, back to the entities receiving property tax allocations in those former redevelopment areas. Those entities include local school and fire districts and the County in the form of discretionary revenue. The County general fund continues to rely on the property tax increment formerly received by the County's former redevelopment agency to maintain essential public services.

Lake County continues a proven track record of balancing its annual budgets, even during the most difficult times. State imposed revenue reductions, unfunded mandates, and the depressed national and state economies continued to present challenges to local governments throughout California and Lake County was no exception to that rule. The difference for the County in weathering difficult times is the County's continual effort for the general fund to remain debt free, maintain healthy fund balances, and ensure a structurally balanced budget by avoiding the use of one-time funds to finance ongoing operational costs.

County department heads, both elected and appointed, work cooperatively and successfully with the County Administrative Officer and the Board of Supervisors on budget and fiscal matters. County leaders are continually seeking opportunities for improving efficiencies within our organization.

County Budget Overview

The County's annual budget is prepared with the following objectives in mind:

1. Develop a responsible, sustainable budget that will enable the County to maintain its fiscal solvency during both the short-term and over the long-term.
2. Minimize and/or completely avoid any negative impacts on service levels provided to the public; improve services when possible.
3. Preserve the County's general reserve and, if possible, increase reserves and assigned/obligated fund balance set asides to help prepare for the County's future budgetary needs.
4. Avoid negatively impacting the County's employees and local economy by not imposing a large number of layoffs, work furloughs or other forms of compensation reductions in order to balance the budget.

Balancing these competing objectives is difficult with depressed revenue levels and the demand for services essential to the public. The budget for fiscal year 2013/14 achieved the above objectives even though a few special revenue funds required transfers of one time money from the general fund to maintain service levels. Other than these transfers, the County continues to use one-time general fund revenues for one-time purposes. This has enabled reserves and/or assigned/obligated fund balances to be increased and the financing of several special projects.

Although department heads and staff needed to continue closely monitoring and controlling their expenditures, the County's budget in fiscal year 2013/2014 provided adequate appropriations to maintain service levels and enabled progress to continue being made in many special programs and capital projects. The County has not been required to impose massive layoffs, employee furloughs, and reductions in employee compensation or elimination of high priority services to the public. The County lives within its financial means and does not borrow money from outside sources to cover general fund operating expenses. The County also has not needed to issue tax revenue anticipation notes for interim financing purposes.

Major Accomplishments and Goals

During the fiscal year ending June 30, 2014, County departments accomplished many objectives and continued progress in many areas while successfully performing their day-to-day responsibilities and duties. Examples include the following:

- ✓ Completed nearly all of the renovations (for which the County is responsible) of the former Lucerne Hotel to provide a campus for Marymount California University. The remaining renovations were completed in July and August of 2014.
- ✓ Dedicated and opened the new Senior Center in Clearlake Oaks.
- ✓ Began planning and preliminary design for the construction of a waterline to serve the commercial and industrial corridor along South Main Street and Soda Bay Road in the unincorporated area south of the City of Lakeport.
- ✓ Executed a lease with Kelseyville Unified School District to lease the Gard Street School for the Child Support Services Department.
- ✓ Opened a Sheriff sub-station in Clearlake Oaks to replace the facility in Clearlake.
- ✓ Received an award of \$20 million in funding from the California Board of State and Community Corrections to expand the Hill Road Jail.
- ✓ Implemented the Patient Protection and Affordable Care Act as it relates to programs administered by the Department of Social Services.

Future goals for fiscal year 2014/2015 include:

- Complete renovations of the Gard Street School to use as offices for the Child Support Services Department.
- Complete park projects throughout the County, including the Middletown Square Plaza, and Hammond Park and Kelseyville Skate Park.
- Continue extensive archeological investigation work required to construct curb, gutter and sidewalks along Highway 20 in Clearlake Oaks to improve pedestrian safety, especially that of school children.
- Begin renovations to expand the Southshore Health building to accommodate the needs of the Behavioral Health Department.
- Adopt an updated Zoning Ordinance.

Financial Information and Condition

The management of the County of Lake is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. This evaluation of cost to benefit requires estimates and judgements by management.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit report, which is issued as a separate document.

The accounting methods and procedures adopted by the County of Lake conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

The County maintains budgetary controls to ensure compliance with the legal provisions contained in the annual appropriated budget approved by the County Board of Supervisors under the provision of Sections 29080-29093 of the Government Code. Those provisions set timelines and requirements for establishing a county budget each fiscal year. The County of Lake Board of Supervisors, in conjunction with the Auditor-Controller, efficiently and responsibly adheres to those provisions.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year-end.

Blended Component Units

Entities included in the County's reporting entity as component units because of their operational and financial relationship with the County and because the Lake County Board of Supervisors also serves as their governing board are the Air Quality District, the Watershed Protection District, the County Service Areas, the Lighting Districts, the Sanitation Districts, the Lake County Housing Commission, the Lake County Redevelopment Agency Successor Agency, and the Lake County Public Financing Authority.

Discretely Presented Component Units

The County of Lake has no component units which meet the criteria for discrete presentation.

Cash Management

The County's investment policy is to minimize credit and market risks while maintaining liquidity and a competitive yield on its portfolio. Cash is pooled for the purpose of increasing interest through investment activities. The County's Treasury Oversight Committee was disbanded by the Board of Supervisor's in 2010 in favor of an Annual Treasury Meeting held each February. The Annual Treasury Meeting, external audits and quarterly reports to the Board of Supervisor's, Auditor-Controller and Administrative Officer exist to provide a level of assurance over the investment activities of the County Treasury.

Debt Administration

The County has \$25,487,893 of direct debt outstanding as of June 30, 2014. This includes general obligation and special assessment bonds with County commitment, revenue bonds, loans, certificates of participation, closure/post closure liability, and compensated absences. Activities related to existing long-term debt can be found in the Notes to the Basic Financial Statements, Note 4.

Risk Management

The County has a Risk Management program operated through the County Counsel's Office that handles administration of its Risk Management Funds (Internal Service Funds). These funds are retained to finance insured and uninsured risks of loss. The County's uninsured risk of loss for public liability claims is \$10,000 per occurrence; the County is fully insured for workers' compensation losses; and the County is fully self-insured for all unemployment claims. The County is a member of the County Supervisors Association of California Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for counties. The County pays an annual premium to the Authority for insurance coverage. All funds within the County participate in the program and make payments to the Risk Management Fund based on actuarial estimates of prior and current claims with an allowance for establishing reserves.

Other Information

California Government Code requires an annual audit of the books of accounts, financial records, and transactions of all offices of the County by independent certified public accountants. The County Audit Committee selected Gallina, LLP, Certified Public Accountants to perform this requirement for fiscal year ending June 30, 2014. The audit was designed to meet the requirements of the Single Audit Act and related U.S. Office of Management and Budget's Circular A-133, in addition to requirements set forth by state statutes. The independent auditor's report on the general purpose financial statements and individual fund statements and schedules is included in the financial section of this report. The supplementary auditor report of internal control and compliance with applicable laws and regulations is issued separately.

As required of a government of our size, this report has been prepared in conformity with Governmental Accounting Standards Board Statement 34. As mentioned previously, this letter of transmittal should be used as a supplement to the Management Discussion and Analysis (MD&A) which can be found preceding the basic financial statements contained within.

Awards and Acknowledgements



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

County of Lake
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Jeffrey R. Egan
Executive Director/CEO

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This is the tenth year the County has received this recognition. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of Comprehensive Annual Financial Statements is possible only through the effort and determination of those involved in the preparation. The staff in the Auditor-Controller's Office, with the support of the County Administrative Office was dedicated to completing this document efficiently and with the highest standard of excellence and transparency. We would like to also thank those departments involved in the preparation of this document, as well as our external auditors, Gallina LLP for their assistance in helping us to produce a quality document.

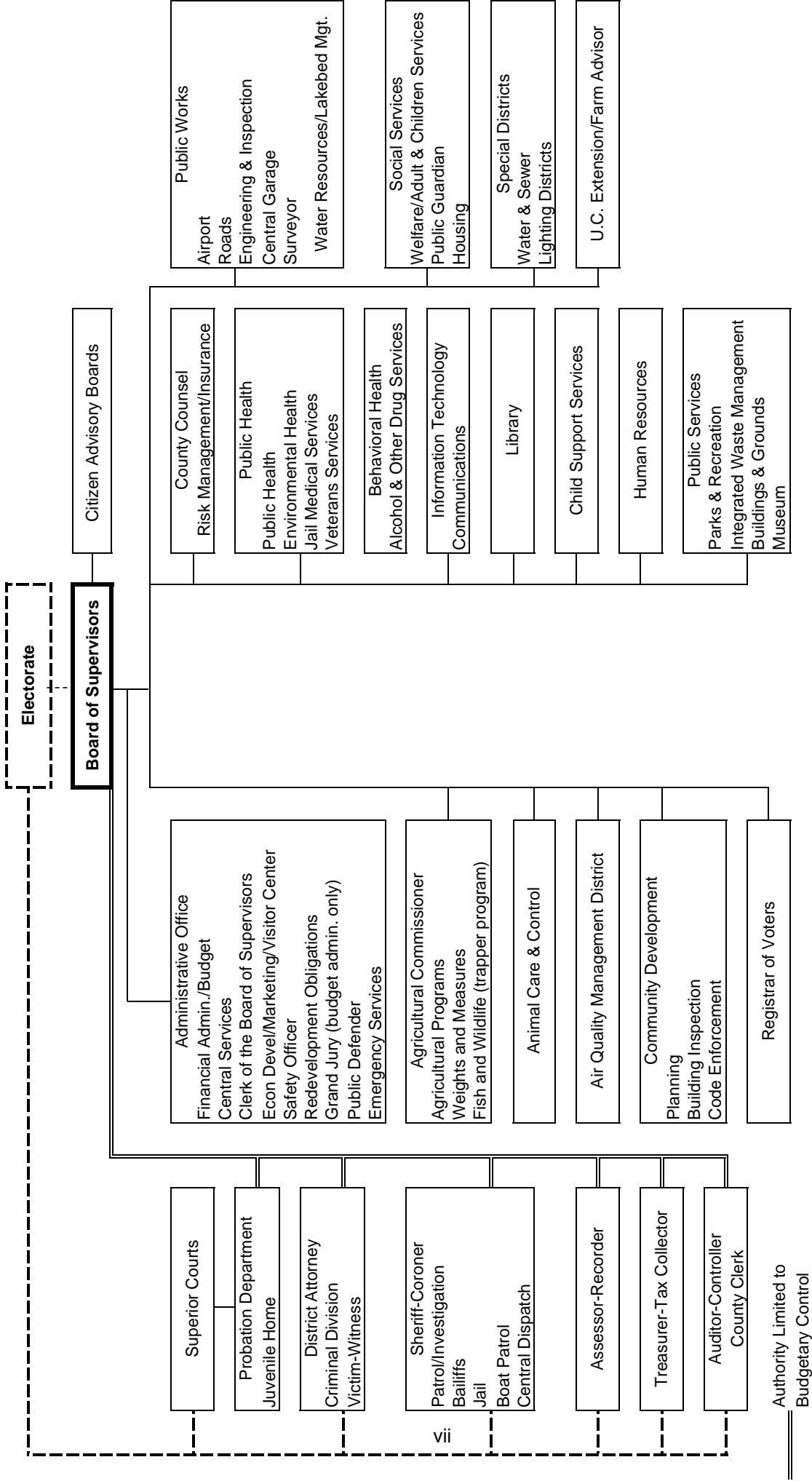
As always, we applaud the County Board of Supervisors for their continued efforts to maintain the fiscal health of Lake County, while striving to address the issues important to the citizens of Lake County.

Respectfully submitted,

Cathy Saderlund
Auditor-Controller

Matt Perry
County Administrative Officer

**COUNTY OF LAKE
ORGANIZATIONAL CHART**
As of September 2012



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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors and Grand Jury
County of Lake
Lakeport, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Lake, California, (the County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and OPEB funding status, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Lake's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Roseville, California
December 22, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

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County of Lake

Management's Discussion and Analysis

As management of the County of Lake, California, (County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

Financial Highlights

The assets of the County exceeded its liabilities and deferred inflows at the close of fiscal year June 30, 2014 by \$227,325,686 (*total net position*):

- \$145,197,026 is invested in capital assets, net of related debt.
- \$58,774,579 is restricted for specific purposes (*restricted*)
- \$23,354,081 in unrestricted will be used to meet the government's ongoing obligations to citizens and creditors.

The County's total net position increased by \$7,558,702:

- This total net position increase is comprised of a \$13,510,536 decrease in unrestricted, \$12,545,369 increase in restricted and a \$8,523,869 increase in capital assets net of related debt.
- Revenues exceeded Expenses by \$7,558,702.

As of June 30, 2014, the County's governmental funds reported combined fund balances of \$86,215,616, an increase of \$1,711,778. Approximately 27% of the combined fund balances, \$23,326,151, is available to meet the County's current and future needs (committed, assigned, and unassigned)

- At the end of the current fiscal year, the assigned/unassigned fund balance for the general fund was \$22,600,919, or 51% of total general fund expenditures. The entire \$22,600,919 has been designated for specific purposes per the County Board of Supervisors and is intended for those purposes only

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g. long-term notes loans and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include the General Fund, Road, Airport, Community Development, Fish and Game, Housing and CDBG Programs, Criminal Justice and Sheriff Programs, Animal Control, Behavioral Health, Health Programs, Park Programs, and Social Services. The business-type activities of the County are Solid Waste Management.

Component units are included in the basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same governing board as the County. Component units for the County include the Air Quality District, the Lake County Housing Commission, the Watershed Protection Districts, the County Service Areas, the Lighting Districts, Lake County Redevelopment Successor Agency, and the Sanitation Districts. A separate financial statement is prepared for the Lake County Housing Authority and the financial statements of which can be obtained by writing to the Auditor-Controller's Office, 255 North Forbes Street, Lakeport, CA 95453.

The government-wide financial statements can be found on pages 17 – 19 of this report.

Fund financial statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide financial statement in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains governmental funds organized according to their type—special revenue, debt service and capital projects. The County segregates from the General Fund a number of significant functions in major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Housing Programs, Mental Health Programs, Social Services and County Redevelopment Agency, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of *combining statements* located in the *Combining and Individual Fund Statements and Schedules* section of this report.

The County adopts an annual appropriated budget for all of its operating funds. A budgetary comparison schedule has been provided for the General Fund and major special revenue funds to demonstrate performance against this budget.

The governmental funds financial statements can be found on pages 24 – 27 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for Solid Waste Management. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for Unemployment Insurance, Public Liability Insurance, Workers' Compensation Insurance, Self Funded Dental/Vision, Heavy Equipment Rental, Fleet Maintenance, and Central Garage. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Solid Waste Management, which is considered to be a major fund of the County. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 28 – 31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on pages 32 – 33 of this report.

Notes to the basic financial statements The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 37 – 67 of this report.

Required Supplementary Information. The Required Supplementary Information follows the Notes to the basic financial statements and contains budgetary comparison schedules for the General Fund by function along with major special revenue funds. Further information relative to this information is contained in the notes to required supplementary information.

The required supplementary information can be found on pages 71 – 78 of this report.

Supplementary Section. The Supplementary section contains the combining and individual fund statements and schedules for all nonmajor funds.

The supplementary section can be found on pages 85 – 162 of this report.

Statistical Section. The Statistical section contains statistical information as required of GASB Statement No. 44, Economic Condition Reporting. The focus of the Statistical section is the primary government.

The statistical section can be found on pages 165 – 195 of this report.

Government-Wide Financial Analysis

The following comparative analysis is provided as required under Governmental Accounting Standards Board (GASB) Statement No. 34.

County of Lake Summary of Net Position as of June 30								
	Governmental Activities		Business-Type Activities		Total		Total	
	2013	2014	2013	2014	2013	2014	Dollar Change	Percent Change
Assets:								
Current and other assets	\$ 103,517,239	\$ 104,426,890	\$ 7,535,151	\$ 7,072,907	\$ 111,052,390	\$ 111,499,797	\$ 447,407	0%
Capital assets	150,482,181	156,457,649	4,515,458	5,461,380	154,997,639	161,919,029	6,921,390	4%
Total assets	253,999,420	260,884,539	12,050,609	12,534,287	266,050,029	273,418,826	7,368,797	3%
Liabilities:								
Current and other liabilities	13,259,268	14,029,211	185,317	116,577	13,444,585	14,145,788	701,203	5%
Long-term liabilities	27,398,937	26,299,763	5,439,523	5,647,589	32,838,460	31,947,352	(891,108)	-3%
Total liabilities	40,658,205	40,328,974	5,624,840	5,764,166	46,283,045	46,093,140	(189,905)	0%
Net Position:								
Net investment in capital assets	132,157,699	139,735,646	4,515,458	5,461,380	136,673,157	145,197,026	8,523,869	6%
Restricted	46,229,210	58,774,579	-	-	46,229,210	58,774,579	12,545,369	27%
Unrestricted	34,954,306	22,045,340	1,910,311	1,308,741	36,864,617	23,354,081	(13,510,536)	-37%
Total net position	\$ 213,341,215	\$ 220,555,565	\$ 6,425,769	\$ 6,770,121	\$ 219,766,984	\$ 227,325,686	\$ 7,558,702	3%

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$227,325,686 the close of the most recent fiscal year.

The largest portion of the County's net position \$145,197,026 or 64% is its investment in capital assets (e.g. land, building, improvements, equipment, park facilities and infrastructure—roads, bridges, water and sewer systems), which is shown less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. These assets are *not* available for future spending.

Restricted net position of \$58,774,579 or 26% represents resources that are subject to external restrictions on how they may be used. The remaining \$23,354,081 or 10%, unrestricted net position, may be used to meet the County's ongoing obligations to citizens and creditors.

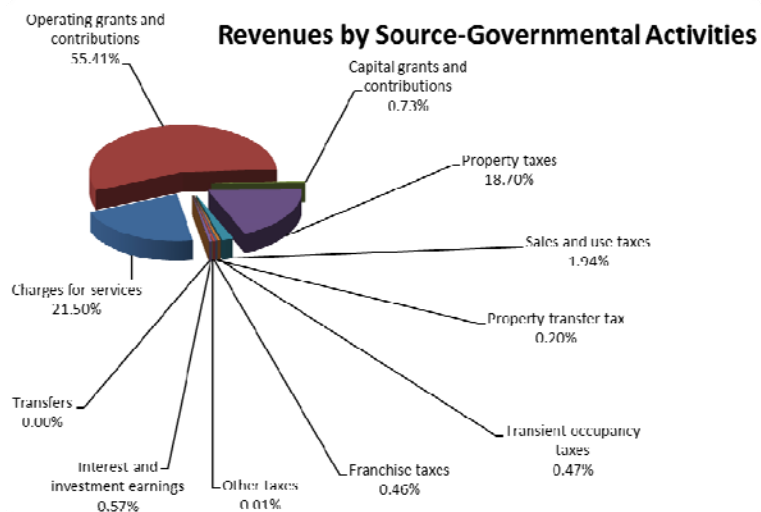
At the conclusion of the fiscal year June 30, 2014 the County is able to report positive balances in all three categories of net position, for the government as a whole.

County of Lake Changes in Net Position as of June 30								
	Governmental Activities		Business-Type Activities		Total		Total	
	2013	2014	2013	2014	2013	2014	Dollar Change	Percent Change
Revenues								
Program Revenues:								
Charges for Services	\$ 29,207,978	\$ 30,028,995	\$ 2,490,604	\$ 2,611,102	\$ 31,698,582	\$ 32,640,097	\$ 941,515	3%
Operating grants and contributions	76,189,444	77,383,334	36,787	24,500	76,226,231	77,407,834	1,181,603	2%
Capital grants and contributions	-	1,013,855	-	-	-	1,013,855	1,013,855	
General Revenues:								
Property taxes	24,594,160	26,108,493	-	-	24,594,160	26,108,493	1,514,333	6%
Sales and use taxes	2,758,221	2,711,513	-	-	2,758,221	2,711,513	(46,708)	-2%
Transient occupancy taxes	441,277	660,370	-	-	441,277	660,370	219,093	50%
Property transfer taxes	282,173	279,410	-	-	282,173	279,410	(2,763)	-1%
Franchise taxes	625,391	641,074	41,433	42,734	666,824	683,808	16,984	3%
Aircraft taxes	20,079	15,315	-	-	20,079	15,315	(4,764)	-24%
Timber yield taxes	206	1,882	-	-	206	1,882	1,676	814%
Interest and investment earnings	843,435	800,784	53,142	41,992	896,577	842,776	(53,801)	-6%
Transfers	14,200	-	(14,200)	-	-	-	-	
Miscellaneous	6,964	6,909	-	-	6,964	6,909	(55)	-1%
Total revenues	134,983,528	139,651,934	2,607,766	2,720,328	137,591,294	142,372,262	4,780,968	3%
Expenses								
General government	11,277,248	11,881,773	-	-	11,277,248	11,881,773	604,525	5%
Public protection	35,548,919	37,962,106	-	-	35,548,919	37,962,106	2,413,187	7%
Public ways and facilities	12,783,460	13,223,197	-	-	12,783,460	13,223,197	439,737	3%
Health and sanitation	24,043,204	24,652,711	-	-	24,043,204	24,652,711	609,507	3%
Public assistance	40,115,108	41,164,775	-	-	40,115,108	41,164,775	1,049,667	3%
Education	1,342,771	1,270,546	-	-	1,342,771	1,270,546	(72,225)	-5%
Culture and recreation	1,678,444	1,660,156	-	-	1,678,444	1,660,156	(18,288)	-1%
Solid Waste Management	-	-	2,364,280	2,375,976	2,364,280	2,375,976	11,696	0%
Interest on long-term debt	557,357	622,320	-	-	557,357	622,320	64,963	12%
Total expenses	127,346,511	132,437,584	2,364,280	2,375,976	129,710,791	134,813,560	5,102,769	4%
Change in net position	7,637,017	7,214,350	243,486	344,352	7,880,503	7,558,702	(321,801)	-4%
Change in net position	7,637,017	7,214,350	243,486	344,352	7,880,503	7,558,702	(321,801)	
Net position - July 1	201,332,497	213,341,215	6,182,283	6,425,769	207,514,780	219,766,984	12,252,204	6%
Prior period adjustment	4,371,701	-	-	-	4,371,701	-	(4,371,701)	0%
Net position - July 1, restated	205,704,198	213,341,215	6,182,283	6,425,769	211,886,481	219,766,984	7,880,503	0
Net position - June 30	\$ 213,341,215	\$ 220,555,565	\$ 6,425,769	\$ 6,770,121	\$ 219,766,984	\$ 227,325,686	7,558,702	3%

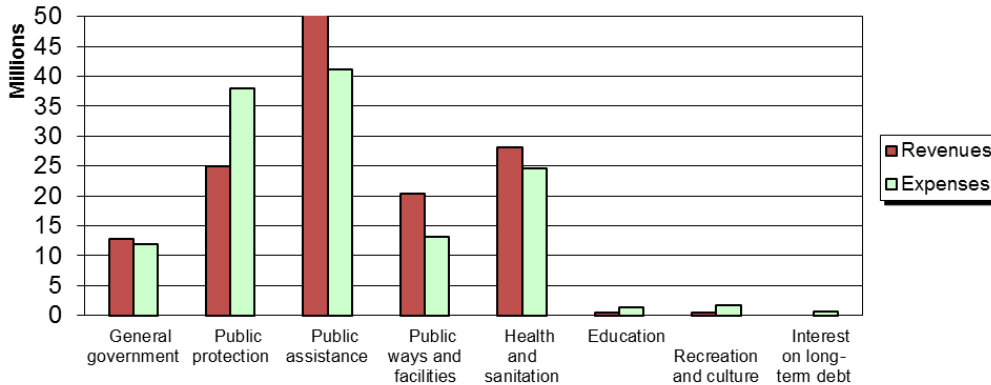
As listed in Financial Highlights, the County's net position increased by \$7,558,702 during the June 30, 2014 fiscal year.

Governmental activities. Governmental activities increased the County's net position by \$7,214,350 or approximately 3.4%. Total revenues increased by \$4,668,406 or approximately 3.5%, while total expenses increased by \$5,091,073, or approximately 4.0%.

Revenues. The total revenue increase of \$4,668,406 is primarily within program revenues; while several general revenue tax categories and investment earnings decreased. Increasing revenue categories were charges for services at \$821,017, operating grants and contributions at \$1,193,890, capital grants and contributions at \$1,013,855, property taxes at \$1,514,333, transient occupancy taxes at \$219,093, franchise taxes at \$15,683, and timber tax at \$1,676. Decreasing revenues were seen in sales and use tax at \$46,708, property transfer taxes at \$2,763, aircraft taxes at \$4,764, interest and investment earnings at \$42,651, transfers at \$14,200 and miscellaneous revenue at \$55.



Expenses and Program Revenues-Governmental Activities

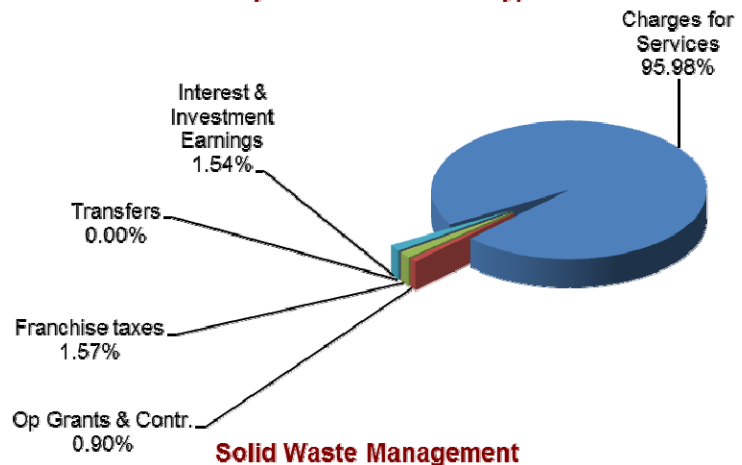


Expenses. Expenses increased by \$5,091,073. The overall \$5,091,073 increase was within categories general government at \$604,525, public protection at \$2,413,187, public ways and facilities at \$439,737, health and sanitation at \$609,507, public assistance at \$1,049,667 and interest on long-term debt at \$64,963. Decreases in expenditures were seen in Education at \$72,225, and culture and recreation at \$18,288.

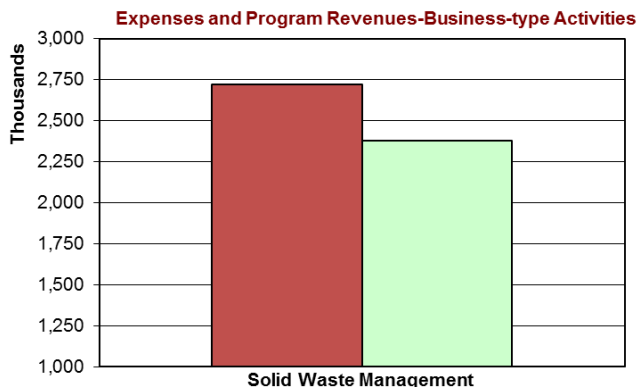
Business-type activities. Business-type activities increased the County's net business-type position by \$344,352 or 5.4%. Total revenues increased by \$112,562 or 4.3%, total expenses increased by \$11,696 or less than 1%.

Revenues. Total program revenues increased by \$108,211 and total general revenues increased by \$4,351. This consists of an increase in charges for services of \$120,498, and franchise taxes at \$1,301. Decreases were in operating grants and contributions at \$12,287, interest and investment earnings at \$11,150, and elimination of transfers at \$14,200.

Revenues by Source-Business-Type Activities



Solid Waste Management



Expenses. Total expenses increased by \$11,696 from the previous fiscal year. The Solid Waste Management activity increased in net position for two consecutive fiscal years. Expenses increased, yet revenues increased greater than expenses resulting in a positive increase in net position for this reporting period.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As listed in the *Financial Highlights*, at June 30, 2014 the County's governmental funds reported combined ending fund balances of \$86,215,616 an increase of \$1,711,778 in comparison with the prior year. Approximately 27% of the combined fund balance, \$23,326,151 constitutes assigned and unassigned fund balance, which is available to meet the County's current and future needs. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has been committed to the following:

- Nonspendable, advances receivable and inventory - \$6,004,700
- Restricted, external constraints (grants, laws) - \$56,884,765

The increase in fund balances for the County's governmental funds reflects a combination of the County's continued prudent spending practices, as well as greater than anticipated revenues.

The General Fund is the primary operating fund of the County. At June 30, 2014, assigned fund balance of the General Fund was \$11,165,436 while total fund balance was \$30,512,508. The \$11,165,436 assigned fund balance is designated by the governing body for special projects, \$11,435,483 is unassigned for subsequent year needs, while \$5,885,169 in nonspendable fund balance constitutes advances and inventory. The general fund contains a restricted or committed fund balance of \$2,026,420 held for other post employment pension liabilities. The Board remains committed to utilizing one time funding sources for one time projects. As a measure of the general fund's liquidity, it may be useful to compare both assigned fund balance and total fund balance to total fund expenditures. Assigned fund balance represents 25% of total general fund expenditures, while total fund balance represents 70% of that same amount. The general fund balance decreased by \$423,546 during the fiscal year.

Other major funds include the Housing Programs and Social Services. The Housing Programs and Social Services had total fund balances of \$5,731,474 and \$4,653,903 respectively; an increase in fund balance of \$50,686 and \$2,412,276 respectively.

Proprietary funds The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the enterprise fund increased from \$6,425,769 to \$6,770,121, a 5.4% increase from the previous fiscal year.

General Fund Budgetary Highlights

The differences between the original budget and the final amended budget revenues were an increase of \$421,715. This represents a less than 1% overall increase in revenue adjustments. The differences between the original budget and the final amended budget appropriations were an increase of \$397,091. This increase is also less than 1% when compared to the overall budget.

Appropriation adjustments made during the fiscal year for all functions is summarized below:

- General government – net decrease of \$135,079. Decreases made to adjust for realized revenue. This is a negligible decrease compared to total category budget.
- Public Protection – net increase of \$124,329. Decreases made to adjust for realized revenue. This is also a negligible increase compared to total category budget.
- Public Assistance – net increase of \$37,356 for veteran services activity.
- Education – no change.
- Recreation and Culture – net increase of \$26,939 in the Museum and the Parks and Recreation departments.
- Total Capital Outlay – net increase of \$343,545. Increases and decreases spread throughout several different departments.

During the year, actual revenues were \$297,669 less than revenue estimates. During the year, actual expenditures were less than budgetary estimates by \$11,849,397. The net effect of under-realization of revenues and under-utilization of appropriations resulted in a positive variance of \$11,551,728 prior to consideration of interfund transfers. This variance is due to management's realistic revenue estimates and fiscally responsible spending practices.

Specific categories and their associated variances can be found in the Required Supplementary Information section of this report, pages 72 – 75.

Capital assets

The County's investment in capital assets for its governmental and business type activities as of June 20, 2014 was \$161,919,029 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, park facilities and infrastructure (roads, bridges, water and sewer systems). The total increase in the County's investment in capital assets for the current fiscal year of \$6,921,390 and represented an increase in land, construction in progress and equipment; with an offsetting decrease in buildings and improvements and infrastructure.

County of Lake Capital Assets as of June 30 (Net of Depreciation)								
	Governmental Activities		Business-Type Activities		Total		Total	
	2013	2014	2013	2014	2013	2014	Dollar Change	Percent Change
Land	\$ 22,528,618	\$ 23,153,046	\$ 742,356	\$ 742,356	\$ 23,270,974	\$ 23,895,402	\$ 624,428	3%
Construction in progress	12,860,564	21,559,056	-	1,224,570	12,860,564	22,783,626	9,923,062	77%
Buildings and improvements	42,352,742	41,751,177	976,725	948,759	43,329,467	42,699,936	(629,531)	-1%
Equipment	5,445,424	6,151,692	816,646	614,470	6,262,070	6,766,162	504,092	8%
Infrastructure	67,294,833	63,842,678	1,979,731	1,931,225	69,274,564	65,773,903	(3,500,661)	-5%
Net assets - June 30	\$ 150,482,181	\$ 156,457,649	\$ 4,515,458	\$ 5,461,380	\$ 154,997,639	\$ 161,919,029	\$ 6,921,390	4%

Detailed information on the County's capital assets can be found in the Notes to the Financial Statements, Note 3 pages 52-53.

Long-Term Liabilities

As of June 30, 2014, the County had total long-term obligations outstanding of \$25,487,893. The largest obligations were Loans Payable of \$9,386,407 for water and wastewater projects, followed by Closure/Post Closure for Solid Waste of \$5,289,622, revenue bonds of \$4,415,000, compensated absences of \$3,302,472, and Kelseyville/Finley Water Project Certificates of Participation of \$2,541,596. The remaining includes special assessment bonds, \$304,000, Solid Waste corrective action of \$173,796, and general obligation bonds, \$75,000.

During the fiscal year, the County's total long-term liabilities decreased by \$1,422,979. This change was the result of scheduled bond, and loan payments made during the fiscal year.

The majority of County long-term liabilities consist of loans payable, certificates of participations and revenue bonds that are paid for by dedicated revenue sources, bonds and special assessments for those within the areas of service.

Detailed information on the County's long-term debt can be found in the Notes to the Financial Statements, Note 4 page 54-58

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning the information contained within this report or requests for additional information should be addressed to the County of Lake, Auditor-Controller, 255 North Forbes Street, Lakeport, CA 95453. This report, as well as various other financial reports and the County of Lake Budget, is also available via the internet at: http://www.co.lake.ca.us/Government/Directory/AuditorController/Financial_Reporting.htm.

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BASIC FINANCIAL STATEMENTS
Government Wide Financial Statements

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COUNTY OF LAKE

Statement of Net Position June 30, 2014

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
Assets			
Cash and investments	\$ 81,647,780	\$ 1,486,061	\$ 83,133,841
Restricted cash	2,310,348	5,115,469	7,425,817
Imprest cash	9,715	500	10,215
Cash with fiscal agent	398,736	--	398,736
Accounts receivable	5,300,852	464,606	5,765,458
Due from other governments	7,251,715	--	7,251,715
Taxes receivable	292,983	--	292,983
Interest receivable	40,640	6,271	46,911
Inventories	134,098	--	134,098
Loans receivable	7,040,023	--	7,040,023
Capital assets:			
Nondepreciable	44,712,102	1,966,926	46,679,028
Depreciable, net	111,745,547	3,494,454	115,240,001
Total Assets	260,884,539	12,534,287	273,418,826
Liabilities			
Accounts payable	2,436,599	10,303	2,446,902
Accrued interest payable	154,171	--	154,171
Accrued salaries and benefits	6,332,939	106,274	6,439,213
Unearned revenue	4,294,869	--	4,294,869
Deposits and other liabilities	104,362	--	104,362
Estimated claims liability	706,271	--	706,271
Long-term liabilities			
Due within one year	2,022,676	3,073	2,025,749
Due in more than one year	17,929,508	5,532,636	23,462,144
Liability for post-employment benefits	6,347,579	111,880	6,459,459
Total Liabilities	40,328,974	5,764,166	46,093,140
Net Position			
Net investment in capital assets	139,735,646	5,461,380	145,197,026
Restricted for:			
Debt service	8,101,991	--	8,101,991
Capital projects	68,086	--	68,086
Grants, taxes, and fees	50,604,502	--	50,604,502
Unrestricted	22,045,340	1,308,741	23,354,081
Total Net Position	\$ 220,555,565	\$ 6,770,121	\$ 227,325,686

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Statement of Activities For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 11,881,773	\$ 4,558,630	\$ 5,456,690	\$ --
Public protection	37,962,106	5,532,455	10,500,045	--
Public ways and facilities	13,223,197	7,715,549	8,594,622	1,013,855
Health and sanitation	24,652,711	9,382,913	12,953,532	--
Public assistance	41,164,775	2,752,479	39,834,041	--
Education	1,270,546	59,309	44,404	--
Culture and recreation	1,660,156	27,660	--	--
Interest on long-term debt	622,320	--	--	--
Total Governmental Activities	<u>132,437,584</u>	<u>30,028,995</u>	<u>77,383,334</u>	<u>1,013,855</u>
Business-Type Activities:				
Solid Waste Management	<u>2,375,976</u>	<u>2,611,102</u>	<u>24,500</u>	<u>--</u>
Total Business-Type Activities	<u>2,375,976</u>	<u>2,611,102</u>	<u>24,500</u>	<u>--</u>
Total Primary Government	<u>\$ 134,813,560</u>	<u>\$ 32,640,097</u>	<u>\$ 77,407,834</u>	<u>\$ 1,013,855</u>

General Revenues:

Taxes:

Property taxes

Franchise taxes

Sales and use taxes

Transient occupancy taxes

Transfer taxes

Other taxes

Unrestricted interest and investment earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,866,453)	\$ --	\$ (1,866,453)
(21,929,606)	--	(21,929,606)
4,100,829	--	4,100,829
(2,316,266)	--	(2,316,266)
1,421,745	--	1,421,745
(1,166,833)	--	(1,166,833)
(1,632,496)	--	(1,632,496)
(622,320)	--	(622,320)
(24,011,400)	--	(24,011,400)
--	259,626	259,626
--	259,626	259,626
(24,011,400)	259,626	(23,751,774)
26,108,493	--	26,108,493
641,074	42,734	683,808
2,711,513	--	2,711,513
660,370	--	660,370
279,410	--	279,410
17,197	--	17,197
800,784	41,992	842,776
6,909	--	6,909
31,225,750	84,726	31,310,476
7,214,350	344,352	7,558,702
213,341,215	6,425,769	219,766,984
<u>\$ 220,555,565</u>	<u>\$ 6,770,121</u>	<u>\$ 227,325,686</u>

The accompanying notes are an integral part of these financial statements.

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BASIC FINANCIAL STATEMENTS
Fund Financial Statements

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COUNTY OF LAKE

Balance Sheet
Governmental Funds
June 30, 2014

	General	Housing Programs	Social Services	Other Governmental Funds	Total
<u>Assets</u>					
Cash and investments	\$27,685,152	\$ 412,781	\$3,697,969	\$ 46,607,892	\$ 78,403,794
Restricted cash	2,252,180	--	--	58,168	2,310,348
Imprest cash	7,405	--	600	1,710	9,715
Cash with fiscal agent	--	--	--	398,736	398,736
Accounts receivable	390,391	--	2,272,841	2,637,620	5,300,852
Due from other governments	--	--	1,392,397	497,417	1,889,814
Taxes and assessments receivable	292,983	--	--	--	292,983
Interest receivable	34,327	--	--	6,313	40,640
Advances to other funds	5,885,169	--	--	497,167	6,382,336
Inventories	--	--	--	119,531	119,531
Loans receivable	--	5,353,828	--	1,686,195	7,040,023
Total Assets	<u>36,547,607</u>	<u>5,766,609</u>	<u>7,363,807</u>	<u>52,510,749</u>	<u>102,188,772</u>
<u>Liabilities</u>					
Accounts payable	\$ 542,880	\$ --	\$ 17,338	\$ 1,784,878	\$ 2,345,096
Accrued salaries and benefits payable	3,240,039	16,714	1,300,169	1,743,238	6,300,160
Deposits payable	--	--	--	104,362	104,362
Unearned revenues	2,252,180	--	--	2,042,689	4,294,869
Advances from other funds	--	18,421	--	1,020,434	1,038,855
Total Liabilities	<u>6,035,099</u>	<u>35,135</u>	<u>1,317,507</u>	<u>6,695,601</u>	<u>14,083,342</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	--	--	1,392,397	497,417	1,889,814
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>1,392,397</u>	<u>497,417</u>	<u>1,889,814</u>
<u>Fund Balances</u>					
Nonspendable	5,885,169	--	--	119,531	6,004,700
Restricted	2,026,420	5,731,474	4,653,903	44,472,968	56,884,765
Assigned	11,165,436	--	--	725,232	11,890,668
Unassigned	11,435,483	--	--	--	11,435,483
Total Fund Balances	<u>30,512,508</u>	<u>5,731,474</u>	<u>4,653,903</u>	<u>45,317,731</u>	<u>86,215,616</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$36,547,607</u>	<u>\$5,766,609</u>	<u>\$7,363,807</u>	<u>\$ 52,510,749</u>	<u>\$102,188,772</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position - Governmental Activities June 30, 2014

Fund Balance - total governmental funds	\$ 86,215,616
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	155,455,893
Some of the County's intergovernmental revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as unavailable revenue in the governmental funds. Due from other governments	1,889,814
Interest payable on long-term debt does not require the use of current financial resources and therefore is not accrued as a liability in the governmental funds	(154,171)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.	
General obligation bonds	(75,000)
Special assessment bonds with County commitment	(304,000)
Loans payable	(9,301,407)
Revenue bonds	(4,500,000)
Certificates of participation	(2,541,596)
Compensated absences	(3,205,202)
Liability for post-employment benefits	(6,320,014)
Internal service funds are used by management to charge the cost of self-insurance risk management and management of fleet maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:	<u>3,395,632</u>
Net position of governmental activities	<u>\$ 220,555,565</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2014

	General	Housing Programs	Social Services	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 27,794,223	\$ --	\$ --	\$ 2,623,834	\$ 30,418,057
Licenses and permits	136,090	--	--	1,503,434	1,639,524
Fines, forfeitures and penalties	954,947	--	--	1,087,241	2,042,188
Use of money and property	518,392	1,191	--	265,380	784,963
Intergovernmental	9,405,797	249,353	37,022,307	32,904,947	79,582,404
Charges for services	4,432,689	3,717	1,796,741	18,762,000	24,995,147
Other revenues	737,767	149,171	36,635	521,870	1,445,443
Total Revenues	43,979,905	403,432	38,855,683	57,668,706	140,907,726
Expenditures:					
Current:					
General government	10,438,117	--	--	765,337	11,203,454
Public protection	30,788,264	--	--	6,155,784	36,944,048
Public ways and facilities	--	--	--	13,513,470	13,513,470
Health and sanitation	--	--	--	20,819,573	20,819,573
Public assistance	339,893	470,018	36,821,545	3,359,438	40,990,894
Education	192,914	--	--	1,039,936	1,232,850
Recreation and culture	1,476,442	--	--	4,829	1,481,271
Debt Service:					
Principal	--	--	--	1,602,478	1,602,478
Interest	--	--	--	648,112	648,112
Capital outlay	657,121	--	250,337	9,849,855	10,757,313
Total Expenditures	43,892,751	470,018	37,071,882	57,758,812	139,193,463
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,154	(66,586)	1,783,801	(90,106)	1,714,263
Other Financing Sources (Uses):					
Transfers in	1,011,036	15,900	628,475	1,719,163	3,374,574
Transfers out	(1,521,736)	--	--	(1,852,838)	(3,374,574)
Proceeds from sale of capital assets	--	--	--	289	289
Total Other Financing Sources (Uses)	(510,700)	15,900	628,475	(133,386)	289
Net Changes in Fund Balances	(423,546)	(50,686)	2,412,276	(223,492)	1,714,552
Fund Balances, Beginning of Year	30,936,054	5,782,160	2,241,627	45,543,997	84,503,838
Change in inventory on purchases method	--	--	--	(2,774)	(2,774)
Fund Balances, End of Year	\$ 30,512,508	\$ 5,731,474	\$ 4,653,903	\$ 45,317,731	\$ 86,215,616

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2014

Net change to fund balance - total governmental funds \$ 1,714,552

Amounts reported for governmental activities in the statement of activities
are different because:

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenue in the governmental funds.
This is the change in unavailable revenues. (1,243,589)

Governmental funds report capital outlay as expenditures. However,
in the statement of activities, the cost of those assets is allocated
over their estimated useful lives and reported as depreciation expense.
Expenditures for general capital assets and infrastructure \$ 13,252,638
Less: current year depreciation (7,430,539) 5,822,099

Long-term debt proceeds provide current resources to governmental funds,
but issuing debt increases long-term liabilities in the statement of net position.
Repayment of debt principal is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net position.
Principal retirements 1,602,478 1,602,478

Some expenses reported in the statement of activities do not
require the use of current financial resources and, therefore, are
not reported as expenditures in governmental funds.
Change in accrued interest on long-term debt 25,793
Change in compensated absences 6,613
Change in OPEB liability (500,112)
Change in inventory reserve (2,774) (470,480)

Internal service funds are used by management to charge the costs
of certain activities, such as insurance and fleet maintenance,
to individual funds. The net revenues (expense) of the internal
service funds is reported with governmental activities. (210,710)

Change in net position of governmental activities \$ 7,214,350

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Statement of Fund Net Position Proprietary Funds June 30, 2014

	Business-type Activities Enterprise Funds Solid Waste Management	Governmental Activities Internal Service Funds
Assets		
Current Assets:		
Cash and investments	\$ 1,486,061	\$ 3,243,986
Imprest Cash	500	--
Restricted cash	5,115,469	--
Accounts receivable	464,606	--
Interest receivable	6,271	--
Inventory	--	14,567
Total Current Assets	<u>7,072,907</u>	<u>3,258,553</u>
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	1,966,926	48,233
Depreciable, net	<u>3,494,454</u>	<u>953,523</u>
Total Noncurrent Assets	<u>5,461,380</u>	<u>1,001,756</u>
Total Assets	<u>12,534,287</u>	<u>4,260,309</u>
Liabilities		
Current Liabilities:		
Accounts payable	10,303	73,083
Salaries & benefits payable	106,274	32,779
Compensated absences payable	<u>3,073</u>	<u>2,970</u>
Total Current Liabilities	<u>119,650</u>	<u>108,832</u>
Noncurrent Liabilities:		
Compensated absences payable	69,218	22,009
Closure/post closure liability	5,463,418	--
Net OPEB obligation	111,880	27,565
Estimated claims liability	<u>--</u>	<u>706,271</u>
Total Noncurrent Liabilities	<u>5,644,516</u>	<u>755,845</u>
Total Liabilities	<u>5,764,166</u>	<u>864,677</u>
Net Position		
Net investment in capital assets	5,461,380	1,001,756
Unrestricted	<u>1,308,741</u>	<u>2,393,876</u>
Total Net Position	<u>\$ 6,770,121</u>	<u>\$ 3,395,632</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For the Year Ended June 30, 2014

	Business-type Activities Enterprise Funds Solid Waste Management	Governmental Activities Internal Service Funds
Operating Revenues:		
Charges for services	\$ 2,611,102	\$ 4,169,795
Rents and concessions	--	953,124
Franchise fees	42,734	--
Other revenues	--	10,773
Total Operating Revenues	<u>2,653,836</u>	<u>5,133,692</u>
Operating Expenses:		
Salaries and benefits	1,091,704	354,080
Services and supplies	828,903	1,330,322
Maintenance	--	150,208
Closure/post closure	176,721	--
Claims/liability adjustments	--	3,219,485
Depreciation	278,648	307,428
Total Operating Expenses	<u>2,375,976</u>	<u>5,361,523</u>
Operating Income (Loss)	<u>277,860</u>	<u>(227,831)</u>
Nonoperating Revenues (Expenses):		
Intergovernmental revenues	24,500	--
Investment income (expense)	41,992	15,821
Gain (loss) on sale of assets	--	1,300
Total Nonoperating Revenues (Expenses)	<u>66,492</u>	<u>17,121</u>
Change in Net Position	344,352	(210,710)
Net Position, Beginning of Year	<u>6,425,769</u>	<u>3,606,342</u>
Net Position, End of Year	<u>\$ 6,770,121</u>	<u>\$ 3,395,632</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2014

	Business-type Activities Enterprise Funds	Governmental Activities
	Solid Waste Management	Internal Service Funds
Cash Flows from Operating Activities		
Receipts from customers	\$ 2,652,295	\$ 5,133,692
Payments to suppliers	(908,315)	(4,821,488)
Payments to employees	(1,049,686)	(342,891)
Net Cash Provided (Used) by Operating Activities	<u>694,294</u>	<u>(30,687)</u>
Cash Flows from Noncapital Financing Activities		
Intergovernmental revenue received	24,500	--
Net Cash Provided (Used) by Noncapital Financing Activities	<u>24,500</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities		
Purchases of capital assets	(1,224,571)	(460,797)
Proceeds from sale of capital assets	--	1,300
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,224,571)</u>	<u>(459,497)</u>
Cash Flows from Investing Activities		
Interest on investments	44,879	15,821
Net Cash Provided (Used) by Investing Activities	<u>44,879</u>	<u>15,821</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(460,898)	(474,363)
Cash and Cash Equivalents, Beginning of Year	<u>7,062,928</u>	<u>3,718,349</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,602,030</u>	<u>\$ 3,243,986</u>

continued

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Statement of Cash Flows (continued) Proprietary Funds For the Year Ended June 30, 2014

	Business-type Activities Enterprise Funds	Governmental Activities
	Solid Waste Management	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 277,860	\$ (227,831)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:		
Depreciation	278,649	307,428
Decrease (increase) in:		
Accounts receivable	(1,541)	--
Inventory	--	18,677
Increase (decrease) in:		
Accounts payable	(79,413)	(149,754)
Salaries and benefits payable	10,673	1,383
Compensated absences payable	5,111	4,281
OPEB liability	26,234	5,525
Closure/post closure liability	176,721	--
Claims payable	--	9,604
Net Cash Provided (Used) by Operating Activities	\$ 694,294	\$ (30,687)

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Statement of Fiduciary Net Position Fiduciary Funds June 30, 2014

	Investment Trust Fund	Successor Agency Private Purpose Trust Fund	Agency Funds
Assets			
Cash and investments	\$ 39,814,416	\$ 127,535	\$ 9,561,115
Taxes and assessments receivable	--	--	9,974,505
Advances to other funds	--	--	18,421
Total Assets	<u>39,814,416</u>	<u>127,535</u>	<u>\$ 19,554,041</u>
Liabilities			
Advances from other funds	\$ --	\$ 5,361,902	\$ --
Fiduciary liabilities	--	--	19,554,041
Total Liabilities	<u>--</u>	<u>5,361,902</u>	<u>\$ 19,554,041</u>
Net Position			
Held in trust	<u>\$ 39,814,416</u>	<u>\$ (5,234,367)</u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF LAKE

Statement of Changes in Fiduciary Net Position For the Year Ended June 30, 2014

	Investment Trust Fund	Successor Agency Private Purpose Trust Fund
Additions		
Contributions from participants	\$ 106,534,524	\$ --
Redevelopment Agency Property Tax Trust Fund	--	58,355
Interest and investment income	236,470	623
Total Additions	<u>106,770,994</u>	<u>58,978</u>
Deductions		
Distributions to participants	107,591,785	--
Project administration	--	74,776
Total Deductions	<u>107,591,785</u>	<u>74,776</u>
Change in Net Position	(820,791)	(15,798)
Net Position, Beginning of Year	<u>40,635,207</u>	<u>(5,218,569)</u>
Net Position, End of Year	<u>\$ 39,814,416</u>	<u>\$ (5,234,367)</u>

The accompanying notes are an integral part of these financial statements.

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COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies**

A. Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a county-wide basis including: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

The governmental reporting entity consists of the County and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable or other organizations whose component units nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Lake, Auditor-Controller's Office, 255 North Forbes Street, Lakeport, California, 95453.

Component units that are blended into the reporting activity types of the County's report are presented below:

Air Quality District

The Air Quality District is a separate legal entity formed to provide air quality services. The Air Quality District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, this entity has been blended with the primary government.

Lake County Housing Commission

The Lake County Housing Commission is a separate legal entity formed to administer the Section 8 program. The Housing Commission's purpose is to administer the housing program of the County of Lake. The Housing Commission's Board of Commissioners is composed of the same members as the County's Board of Supervisors. Therefore, this entity has been blended with the primary government.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

Watershed Protection Districts

The Watershed Protection Districts are separate legal entities formed to provide flood control in these districts within the County. The Watershed Protection District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, these entities have been blended with the primary government.

County Service Areas

The County Service Areas are separate legal entities created to provide services such as water and road maintenance throughout the County. The County Service Areas' Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, these entities have been blended with the primary government.

Lighting Districts

The Lighting Districts are separate legal entities formed to provide lighting services within these districts. The Lighting District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, these entities have been blended with the primary government.

Sanitation Districts

The Sanitation Districts are separate legal entities formed to provide sanitation maintenance services within the County. The Sanitation District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, these entities have been blended with the primary government.

IHSS

The *In-Home Supportive Services Public Authority* (IHSS) was established by the Board to act as the employer of record for IHSS individual providers. As an administrative unit, it carries out functions prescribed in Welfare & Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers.

Lake County Redevelopment Successor Agency

The *Lake County Redevelopment Successor Agency* (Successor Agency) operates under the auspices of a legislatively formed Oversight Board comprised of representatives of the local agencies that serve the redevelopment project area. The Oversight Board, in its fiduciary capacity, has authority over the operations and the timely dissolution of the former RDA. It is tasked with fulfilling the obligations of the former RDA, and is also responsible for revenue collection, and disposing of excess property.

Lake County Public Financing Authority

The *Lake County Public Financing Authority* was established in June 2011 by Board of Supervisors to provide financial assistance to the *Lake County Sanitation District* and the County in connection with the construction of public capital improvements.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the County, and its blended component units. These statements include the financial activities of the overall governments, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Taxes and other items not properly included among program revenue are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The County reports the following major governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund indicates such activities as general government, public protection, public assistance, education, and recreation services.
- The Housing Programs Fund is a special revenue fund used to account for the County certificate housing program.
- The Social Services Fund is a special revenue fund used to account for welfare assistance activity.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

The County reports the following major proprietary fund:

- The Solid Waste Management Fund is an enterprise fund used to provide for the operation and expansion of the County's landfills.

The County reports the following additional fund types:

- Internal Service Funds account for the County's fleet maintenance, central garage, heavy equipment rental, and self-insurance programs which provide services to other departments on a cost reimbursement basis.
- The Investment Trust Fund accounts for the assets of legally separate entities that deposit cash with the County Treasurer. The assets are held in trust for other agencies and are part of the County's external pool. The County is obligated to disburse monies on demand.
- Agency Funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include three separate components:

County Departmental Agency – Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

Unapportioned Taxes Agency – Accounts for property tax receipts awaiting apportionment to other local governmental agencies.

Unapportioned Interest Agency – Accounts for investment earnings awaiting apportionment to other local governmental agencies.

- Private-Purpose Trust Fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Lake County Redevelopment Successor Agency (Successor Agency).

C. **Basis of Accounting and Measurement Focus**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, including property and sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

C. Basis of Accounting and Measurement Focus (continued)

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues reported in the governmental funds to be available if they are collected within forty-five days after the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. Governmental capital asset acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Interest income earned in agency funds where there are no interest earnings requirements are assigned to the General Fund per County Policy. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

Investment transactions are recorded on the trade date. Investments are reported at fair value which is determined using selected basis annually. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

D. Cash and Investments (continued)

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants each quarter. This method differs from the fair value method used to value investments in these financial statements, as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2014, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

For purpose of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

E. Receivables

Receivables consist of amounts due from others outside of the County. The County considers all of its receivables as collectible and therefore, no allowance is recorded.

F. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the current portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in the General Fund and restricted fund balance in other governmental funds.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and, therefore, are not eliminated in the process of preparing the government-wide statement of activities.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

F. **Interfund Transactions** (continued)

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

G. **Loans Receivables**

The County provides loans receivable arising under mortgage subsidy and affordable housing programs. These receivables include loans that may be forgiven if certain terms and conditions of the loans are met.

H. **Inventories**

Inventories are stated at cost (first in – first out basis) for governmental and proprietary funds. Inventory recorded by governmental funds include materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is purchased. Inventories recorded by proprietary funds include supplies for internal service funds. Proprietary fund inventories are recorded as expenses at the time the inventory is purchased.

I. **Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, property, plant, equipment, and infrastructure are accounted for as capital assets in both the governmental and business-type activities column. Capital assets which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, water, sewer, and similar items) are defined by the County as assets with a cost of more than \$5,000 for equipment and \$25,000 for structures, improvements, and infrastructure and an estimated useful life of at least one year. Such assets are recorded at historical or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 – 15 years
Structures and improvements	10 – 50 years
Infrastructure	40 – 100 years

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

I. **Capital Assets** (continued)

Government-Wide Financial Statements (continued)

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund at the time of acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

J. **Unearned Revenue**

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets are offset by a corresponding liability for unearned revenue.

K. **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows or resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: intergovernmental revenue and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. **Long-Term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consist primarily of general obligation bonds, special assessment bonds with County commitment, loans payable, certificates of participation, capital leases, closure/post closure liability, and accrued compensated absences.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

L. Long-Term Debt (continued)

Long-term debt for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. Long-term debt associated with proprietary fund operations is accounted for the same as in the government-wide statements.

M. Compensated Absences

The County's policy regarding vacation and other leave obligations is to permit employees to accumulate earned but unused vacation and other leave obligations. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the governmental funds financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature, while the proprietary funds report the liability as it is incurred. The County includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

N. Other Post-Employment Benefits (OPEB)

The County of Lake sponsors, under a defined benefit plan, a retiree healthcare plan to qualifying employees retiring directly from the County. The benefit level is determined by date of hire, length of service and bargaining agreements. The County has contracted for medical coverage to be provided through an agent multiple-employer Healthcare plan from either of two carriers that include the California State Association of Counties (CSAC) EIA Health Program or the California Public Employees Medical and Hospital Care Act (PEMHCA).

O. Fund Balances/Net Position

Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements, and other special revenue fund purposes.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

O. **Fund Balances/Net Position** (continued)

Fund Financial Statements

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, including: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purpose determined by approval of a board resolution by 3/5th vote of the County’s Board of Supervisors. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. *Intent* is expressed by (a) the County’s Board or (b) a body (for example, a budget or finance committee) or official to which the County’s Board has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditures is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

In Proprietary fund financial statements net position are accounted for the same as in the government-wide statements.

P. **Property Tax**

The State of California’s (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

P. **Property Tax** (continued)

The County of Lake assesses properties and bills for and collects property taxes as follows:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	January 1	January 1
Due dates	November 1 (1 st installment) February 1 (2 nd installment)	July 1
Delinquent dates	December 10 (1 st installment) April 10 (2 nd installment)	August 31

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within forty-five days after fiscal year-end.

The County of Lake apportions secured property tax revenue in accordance with the alternate method of distribution, the “Teeter Plan”, as described in Section 4717 of the California Revenue and Taxation code. Under the Teeter Plan, penalties and interest collected on delinquent secured taxes are required to be held in trust in the Tax Loss Recovery Fund (TLRF). The primary purpose of the TLRF is to cover losses that may occur as a result of special sales tax-defaulted property.

The County is legally required to maintain a minimum balance of 1% of the annual taxes levied on properties participating in the Teeter Plan. The County has set aside \$641,689 as resources for delinquent sale shortfalls. The County’s management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s Teeter Plan and accounted for in an agency fund.

Q. **Grant Revenues**

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

R. **Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds – By Character
 - Current (further classified by function)
 - Debt Service
 - Capital Outlay
- Proprietary Fund – By Operating and Nonoperating

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 1: **Financial Reporting Entity and Summary of Significant Accounting Policies** (continued)

S. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

T. Future Accounting Pronouncements

Statement No. 67	<i>Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25</i>	The provisions of this Statement are effective for financial statement periods beginning after June 15, 2013.
Statement No. 68	<i>Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27</i>	The provisions of this Statement are effective for financial statement periods beginning after December 15, 2014.
Statement No. 69	<i>Government Combinations and Disposals of Government Operations</i>	The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2013.
Statement No. 70	<i>Accounting and Financial Reporting for Nonexchange Financial Guarantees</i>	The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2013.

Note 2: **Cash and Investments**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the Board of Supervisors each quarter. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the reporting entity as an Investment Trust Fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The net position value of involuntary participation in the investment pool totaled \$39,814,416 at June 30, 2014.

As of June 30, 2014, the County's cash and investments are reported in the financial statements as follows:

Primary government	\$ 90,968,609
Investment trust fund	39,814,416
Agency funds	9,561,115
Private purpose	127,535
Total Cash and Investments	<u>\$ 140,471,675</u>

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 2: **Cash and Investments** (continued)

As of June 30, 2014, the County's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 206,372
Imprest cash	10,565
Deposits (less outstanding warrants)	13,058,440
Total Cash	<u>13,275,377</u>
Investments:	
In Treasurer's pool	127,196,298
Total Investments	<u>127,196,298</u>
	<u>\$ 140,471,675</u>

Cash

Custodial Credit Risk for Deposits – Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy requires that deposits in banks must meet the requirements of California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amounts are collateralized. The County's investment policy does not further limit its deposits.

As of June 30, 2014, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	Carrying Value	WAM (Years)
Investments in Investment Pool						
Negotiable CDs	variable	10/15/2014 - 1/30/2017	\$ 47,500,000	\$ 47,545,974	\$ 47,529,163	2.63
Commercial Paper	0.25% - 0.27%	9/2/2014 - 9/26/2014	10,000,000	9,996,300	9,993,690	1.21
Medium Term Corporate Notes	variable	7/20/2014 - 5/15/2018	47,100,000	47,212,801	47,128,818	2.80
Local Agency Investment Fund (LAIF)	variable	on demand	22,544,627	22,544,627	22,544,627	--
Total Treasurer's Pooled Investments			<u>\$ 127,144,627</u>	<u>\$ 127,299,702</u>	<u>\$ 127,196,298</u>	

Interest Rate Risk – Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the maturity of its investments to 5 years or less. Of the investments in the County's investment pool, over 38 percent of the investments have a maturity of one year or less. Of the remainder, none have a maturity of more than 5 years.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 2: Cash and Investments (continued)

Investments (continued)

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and County investment policy limit investments in commercial paper to the rating of A1 or better by Standards & Poor's or P-1 or better by Moody's Investors Service; corporate bonds to the rating of A or better by both Standard & Poor's and Moody's Investors Service. No limits are placed on U.S. government securities. The County's investment policy does not further limit its investment choices.

Investment Type	Credit Rating	Fair Value	Percent of Pool
Commercial Paper	A1	\$ 9,996,300	7.85%
Negotiable Certificates of Deposit	A1	12,004,102	9.43%
	AA-	10,512,522	8.26%
	AA2	5,000,985	3.93%
	AA3	10,003,515	7.86%
	A+	10,024,850	7.87%
Medium Term Notes	A	4,991,050	3.92%
	AAA	4,994,382	3.92%
	AA3	9,313,653	7.32%
	AA+	7,300,916	5.74%
	AA-	20,612,800	16.19%
Local Agency Investment Fund	Unrated	22,544,627	17.71%
		<u>\$ 127,299,702</u>	<u>100.00%</u>

At June 30, 2014 the County had the following investments in any one issuer that represent 5 percent or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

	% of Portfolio	Amount
CREDIT SUISSE NY FR - NCD	7.07	\$9,004,102
NAT AUSTRALIA BANK - MTN	5.53	\$7,043,190

Custodial Credit Risk – Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the County requires that all of its managed investments be held in the name of the County. The County's investment policy does not further limit the exposure to custodial credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law restricts the County's investments in commercial paper to 40% of its investment pool and to 10% per issuer and corporate bonds and medium term notes to 30% of its investment pool and to 10% per issuer and, banker's acceptances to 15% of its investment pool and to 10% per issuer. Approximately 18% of the County's investments at year-end are in the State of California Local Agency Investment Fund (LAIF). There is no limitation on amounts invested in these types of issues.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 2: Cash and Investments (continued)

Investments (continued)

Investment in Local Agency Investment Fund – The County of Lake is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At June 30, 2014, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$22,544,627, which approximates fair value and is the same as the value of the pool shares. The total amount, invested by all public agencies in LAIF on that day was \$64.8 billion. Of that amount 98.14% is invested in non-derivative financial products and 1.86% in structured notes and asset-backed securities. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. The Local Investment Advisory Board, which consists of five members, designated by the State statutes, has oversight responsibility for LAIF.

County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's pool at June 30, 2014:

	Internal Participants	External Participants	Total Pool
Statement of Net Position			
Cash on hand	\$ 216,937	\$ --	\$ 216,937
Deposits (less outstanding warrants)	12,507,441	--	12,507,441
Investments	87,381,882	39,814,416	127,196,298
	<u>\$ 100,106,260</u>	<u>\$ 39,814,416</u>	<u>\$ 139,920,676</u>
Statement of Changes in Net Position			
Net position held for pool participants at July 1, 2013	\$ 98,115,076	\$ 40,635,207	\$ 138,750,283
Net changes in investments by pool participants	1,991,184	(820,791)	1,170,393
Net position held for pool participants at June 30, 2014	<u>\$ 100,106,260</u>	<u>\$ 39,814,416</u>	<u>\$ 139,920,676</u>

Restricted Cash and Investments

Restricted cash and investments of \$58,168 are held for future obligations for the Lake County Housing Commission. \$2,252,180 are held for realignment funding in the General Fund, and \$5,115,469 are held to fund future closure costs on the County's landfill. See Note 7 for additional information.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 3: Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2014
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 22,528,618	\$ 624,428	\$ --	\$ --	\$ 23,153,046
Construction in progress	12,860,564	10,003,928	--	(1,305,436)	21,559,056
Total Capital Assets, Not Being Depreciated	35,389,182	10,628,356	--	(1,305,436)	44,712,102
Capital Assets, Being Depreciated:					
Buildings and improvements	66,499,987	697,702	(3,756)	64,787	67,258,720
Equipment	22,902,524	1,938,229	(935,093)	(4,946)	23,900,714
Infrastructure	182,211,630	580,168	--	1,175,305	183,967,103
Total Capital Assets, Being Depreciated	271,614,141	3,216,099	(938,849)	1,235,146	275,126,537
Less Accumulated Depreciation for:					
Buildings and improvements	(24,147,245)	(1,335,328)	(24,970)	--	(25,507,543)
Equipment	(17,457,100)	(1,168,022)	876,100	--	(17,749,022)
Infrastructure	(114,916,797)	(5,234,616)	--	26,988	(120,124,425)
Total Accumulated Depreciation	(156,521,142)	(7,737,966)	851,130	26,988	(163,380,990)
Total Capital Assets, Being Depreciated, Net	115,092,999	(4,521,867)	(87,719)	1,262,134	111,745,547
Governmental Activities Capital Assets, Net	\$ 150,482,181	\$ 6,106,489	\$ (87,719)	\$ (43,302)	\$ 156,457,649
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 742,356	\$ --	\$ --	\$ --	\$ 742,356
Construction in progress	--	1,166,923	--	57,647	1,224,570
Total Capital Assets, Not Being Depreciated	742,356	1,166,923	--	57,647	1,966,926
Capital Assets, Being Depreciated:					
Buildings and improvements	1,427,238	--	--	--	1,427,238
Equipment	3,597,464	--	--	4,946	3,602,410
Infrastructure	2,425,373	--	--	--	2,425,373
Total Capital Assets, Being Depreciated	7,450,075	--	--	4,946	7,455,021
Less Accumulated Depreciation for:					
Buildings and improvements	(450,513)	(27,966)	--	--	(478,479)
Equipment	(2,780,818)	(202,176)	--	(4,946)	(2,987,940)
Infrastructure	(445,642)	(48,506)	--	--	(494,148)
Total Accumulated Depreciation	(3,676,973)	(278,648)	--	(4,946)	(3,960,567)
Total Capital Assets, Being Depreciated, Net	3,773,102	(278,648)	--	--	3,494,454
Business-Type Activities Capital Assets, Net	\$ 4,515,458	\$ 888,275	\$ --	\$ 57,647	\$ 5,461,380

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 3: **Capital Assets** (continued)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$	641,637
Public Protection		657,249
Public Ways & Facilities		2,087,147
Health & Sanitation		3,763,505
Public Assistance		90,621
Education		33,154
Recreation & Culture		157,225
Internal service fund depreciation expense is charged to specific functions based on asset usage		307,428
Total Depreciation Expense - Governmental Functions	\$	<u><u>7,737,966</u></u>

Depreciation expense was charged to business-type functions as follows:

Solid Waste	\$	278,648
Total Depreciation Expense - Business-Type Functions	\$	<u><u>278,648</u></u>

Construction in Progress

Construction in progress for governmental activities related to work performed on the Lucerne Hotel in preparation for Marymount University, various park improvements throughout the County, multiple bridge and road projects throughout the County, the Middletown Library/Senior Center, and special districts plant improvements.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 4: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

Type of Indebtedness	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Amount Due Within One Year
Governmental Activities					
General obligation bonds	\$ 144,000	\$ --	\$ 69,000	\$ 75,000	\$ 75,000
Special assessment bonds with County commitment	356,000	--	52,000	304,000	55,000
Revenue bonds	4,500,000	--	85,000	4,415,000	90,000
Loans payable	10,740,086	--	1,353,679	9,386,407	1,392,256
Certificates of participation	2,584,396	--	42,800	2,541,596	44,600
Compensated absences (Note 1M)	3,232,513	3,943,857	3,946,189	3,230,181	365,820
Total Governmental Activities	\$ 21,556,995	\$ 3,943,857	\$ 5,548,668	\$ 19,952,184	\$ 2,022,676
Business-Type Activities					
Closure/post closure (Note 8)	\$ 5,115,469	\$ 174,153	\$ --	5,289,622	\$ --
Corrective action	171,228	2,568	--	173,796	--
	5,286,697	176,721	--	5,463,418	--
Solid Waste Management					
Compensated absences	67,180	74,953	69,842	72,291	3,073
Total Business-Type Activities	\$ 5,353,877	\$ 251,674	\$ 69,842	\$ 5,535,709	\$ 3,073

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Estimated claims are liquidated by charges for services collected through individual internal service funds. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

Special assessment bonds with County commitment are not a direct responsibility of the County. Principal and interest payments are funded from the collection of special assessments and are accounted for in the Sanitation District's component unit special revenue fund. The County is obligated for special assessment debt only to the extent of special assessments collected.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 4: Long-Term Liabilities (continued)

At June 30, 2014, general obligation bonds consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2014</u>
General Obligation Bonds:						
1974 Issue Improvement Bonds	1974	2/1/2015	5.00%	\$31,000 - \$75,000	1,300,000	\$ 75,000
						<u>\$ 75,000</u>

At June 30, 2014, special assessment bonds with County Commitment consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2014</u>
Special Assessment Bonds:						
Sanitation District #1-5 1915 Act		7/2/2019	5.00%	\$52,000 - \$67,000	\$ 1,340,000	<u>\$ 304,000</u>

At June 30, 2014, revenue bonds consisted of the following:

	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2014</u>
Revenue Bonds					
Southeast Regional Wastewater Revenue Bonds, Series, 2011	7/15/2040	2.000% - 5.875%	\$90,000 - \$300,000	4,500,000	<u>\$ 4,415,000</u>
<i>Used to finance construction and improvements of the Southeast Regional Wastewater System.</i>					

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 4: Long-Term Liabilities (continued)

At June 30, 2014, loans payable consisted of the following:

	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2014</u>
Loans Payable					
California Statewide Communities Development Authority Loan	6/01/2019	7.125%	\$12,194-\$16,135	\$ 199,971	\$ 70,477
<i>Used to refinance a prior California Department of Water Resources loan and finance the cost of improvements to the Lake County Service Area #20 Soda Bay.</i>					
Safe Drinking Water Loan	9/30/2023	3.2205%	\$173,712 - \$224,266	4,387,769	1,783,375
<i>Used to finance the cost of correcting deficiencies in the domestic water supply for the Lake County Service Area #20 Soda Bay.</i>					
Safe Drinking Water Loan	3/31/2016	3.2205%	\$290,671 - \$300,097	5,250,000	590,768
<i>Used to finance the cost of correcting deficiencies in the domestic water supply for the Lake County Service Area #21 Lakeport.</i>					
State Water Resources Control Board Loan	6/30/2018	2.80%	\$454,943 - \$507,585	7,636,443	1,950,282
<i>Used to finance the upgrade to the Southeast Regional Wastewater Treatment Plant and construction of the Southeast Geyser's Effluent Pipeline.</i>					
State Sewer Revolving Loan	6/30/2023	1.60%	\$387,147 - \$475,354	9,263,406	3,869,514
<i>Used to finance the upgrade to the Northwest Regional Wastewater Treatment Plant, construction of a force main and aerated lagoons, and installment of a disinfection system on SCADA system.</i>					
State Water Resources Control Board Loan	12/31/2030	1.0%	\$60,877 - \$71,383	1,299,753	1,121,991
<i>Used to upgrade the Kelseyville Water Works District Wastewater System.</i>					
					<u>\$ 9,386,407</u>

At June 30, 2014, certificates of participation consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2014</u>
Certificates of Participation						
Kelseyville County Waterworks District #3 - Water Project Series 2005		4/1/2044	4.25%	\$34,500 - \$110,600	\$ 2,394,800	\$ 1,902,796
<i>Used to finance the construction of water system improvements.</i>						
County Service Area #6, Finley Water - Water Project Series 2005		4/1/2045	4.375%	\$10,100 - \$36,400	714,000	638,800
<i>Used to finance the construction of water system improvements.</i>						
						<u>\$ 2,541,596</u>

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 4: Long-Term Liabilities (continued)

At June 30, 2014, the annual debt service requirements were summarized as follows:

Governmental Activities

General Obligations Bonds

Year Ended June 30	Principal	Interest	Total
2015	\$ 75,000	\$ 2,325	\$ 77,325
Total	<u>\$ 75,000</u>	<u>\$ 2,325</u>	<u>\$ 77,325</u>

Special Assessment Bonds

Year Ended June 30	Principal	Interest	Total
2015	\$ 55,000	\$ 13,825	\$ 68,825
2016	57,000	11,025	68,025
2017	61,000	8,075	69,075
2018	64,000	4,950	68,950
2019	<u>67,000</u>	<u>1,675</u>	<u>68,675</u>
Total	<u>\$ 304,000</u>	<u>\$ 39,550</u>	<u>\$ 343,550</u>

Loans Payable and Revenue Bonds Payable

Year Ended June 30	Loans			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,392,256	\$ 243,979	\$ 1,636,235	\$ 90,000	\$ 228,756	\$ 318,756
2016	1,431,874	204,360	1,636,234	90,000	226,731	316,731
2017	1,163,143	165,709	1,328,852	95,000	224,181	319,181
2018	1,194,643	133,745	1,328,388	95,000	221,153	316,153
2019	705,853	100,737	806,590	100,000	217,675	317,675
2020-2024	3,013,556	217,959	3,231,515	555,000	1,023,100	1,578,100
2025-2029	343,023	17,462	360,485	700,000	908,781	1,608,781
2030-2034	142,059	2,134	144,193	700,000	709,788	1,409,788
2035-2039	--	--	--	1,135,000	425,791	1,560,791
2040-2041	<u>--</u>	<u>--</u>	<u>--</u>	<u>855,000</u>	<u>77,109</u>	<u>932,109</u>
Total	<u>\$ 9,386,407</u>	<u>\$ 1,086,085</u>	<u>\$ 10,472,492</u>	<u>\$ 4,415,000</u>	<u>\$ 4,263,065</u>	<u>\$ 8,678,065</u>

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 4: **Long-Term Liabilities** (continued)

Governmental Activities (continued)

Certificates of Participation

Year Ended June 30	Principal	Interest	Total
2015	\$ 44,600	\$ 106,145	\$ 150,745
2016	46,400	116,836	163,236
2017	48,500	114,851	163,351
2018	50,600	112,776	163,376
2019	52,700	110,611	163,311
2020-2024	299,200	517,242	816,442
2025-2029	369,000	447,549	816,549
2030-2034	455,000	361,526	816,526
2035-2039	560,900	255,515	816,415
2040-2044	614,696	131,481	746,177
2045			--
Total	<u>\$ 2,541,596</u>	<u>\$ 2,274,532</u>	<u>\$ 4,816,128</u>

Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The County does not expect to incur a liability for rebatable arbitrage.

Note 5: **Net Position/Fund Balances**

Net Position

Net position invested in capital assets, net of related debt, was comprised of the following:

	Governmental Activities	Business-Type Activities
Capital assets net of accumulated depreciation	\$ 156,457,649	\$ 5,461,380
Outstanding principal of capital-related debt	(16,722,003)	-
Net position, net investment in capital assets	<u>\$ 139,735,646</u>	<u>\$ 5,461,380</u>

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 5: Net Position/Fund Balances (continued)

Fund Balances

Details of the fund balance classifications of the governmental funds as of June 30, 2014 are as follows:

	General Fund	Housing Programs	Social Services	Other Governmental Funds	Totals
Nonspendable:					
Advances to other funds	\$ 5,885,169	\$ --	\$ --	\$ --	\$ 5,885,169
Inventory	--	--	--	119,531	119,531
Total Nonspendable	5,885,169	--	--	119,531	6,004,700
Restricted for:					
General government	2,026,420	--	--	--	2,026,420
Public protection	--	--	--	9,181,503	9,181,503
Public assistance	--	5,731,474	4,653,903	2,357,437	12,742,814
Health and sanitation	--	--	--	8,658,915	8,658,915
Public ways and facilities	--	--	--	15,611,574	15,611,574
Education	--	--	--	246,909	246,909
Recreation	--	--	--	246,553	246,553
Debt service	--	--	--	8,101,991	8,101,991
Capital projects	--	--	--	68,086	68,086
Total Restricted	2,026,420	5,731,474	4,653,903	44,472,968	56,884,765
Assigned to:					
General reserve	7,000,000	--	--	--	7,000,000
Infrastructure	3,718,213	--	--	--	3,718,213
General government	447,223	--	--	58,239	505,462
Jail expansion	--	--	--	650,000	650,000
Transfer in	--	--	--	16,993	16,993
Total Assigned	11,165,436	--	--	725,232	11,890,668
Unassigned	11,435,483	--	--	--	11,435,483
Total Fund Balances	\$ 30,512,508	\$ 5,731,474	\$ 4,653,903	\$ 45,317,731	\$ 86,215,616

Note 6: Leases

Operating Leases

The County leases office buildings and equipment under non-cancellable operating leases. Total costs for these leases was \$961,496 for the year ended June 30, 2014. The future minimum lease payments are as follows:

Year Ended June 30	Principal
2015	\$ 784,397
2016	657,531
2017	566,560
2018	236,885
2019	206,077
2020-2024	972,635
2025-2029	972,635
2030-2031	486,318
Total	\$ 4,883,038

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 7: Closure/Post Closure

The County of Lake has one landfill and one transfer station. State and Federal laws and regulations require the County to perform certain closure and post-closure maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post-closure care costs as an expenditure in each year based on landfill capacity used as of each balance sheet date. The \$5,463,418 reported as closure/post-closure liability at June 30, 2014, represents the cumulative amount reported to date based on the use of 77.10 percent of total estimated site capacity. The estimated remaining life of the landfill is 16.6 years.

The County will recognize the remaining estimated cost of closure and post-closure care of \$1,574,081 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2014. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to provide financial assistance that appropriate resources will be available to finance closure and post-closure care costs in the future. At June 30, 2014, cash and investments of \$5,115,469 were held to fund closure costs and are reported as restricted cash on the Solid Waste Management's financial statements.

The County has approved a pledge of revenue to fund the post-closure costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

Note 8: Interfund Transactions

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. The following are advances to/from other funds as of June 30, 2014:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	RDA Successor Agency	\$ 4,890,902
	Other Governmental Funds	994,267
		<u>5,885,169</u>
Other Governmental Funds	Other Governmental Funds	26,167
	RDA Successor	471,000
		<u>497,167</u>
Agency Funds	Housing	<u>18,421</u>
		<u>\$ 6,400,757</u>

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 8: Interfund Transactions (continued)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, reimbursement of various County operations and re-allocations of special revenues. The following are the interfund transfers for the fiscal year ended June 30, 2014:

Transfer From	Transfer To	Amount
General Fund	Social Services	\$ 607,747
	Other Governmental Funds	913,989
		<u>1,521,736</u>
Other Governmental Funds	General Fund	1,011,036
	Housing	15,900
	Social Services	20,728
	Other Governmental Funds	805,174
		<u>1,852,838</u>
		<u>\$ 3,374,574</u>

Note 9: Employees' Retirement Plan

Plan Description

The County contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state. Copies of PERS' annual financial report may be obtained from their executive office – 400 P Street, Sacramento, CA 95814.

Funding Policy

Miscellaneous plan members are required to contribute 7 percent of their annual covered salary. Safety plan members are required to contribute 9 percent of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The County has committed to contribute a portion of the required employee contribution in addition to their own required contributions. The actuarial methods and assumptions are used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2013/2014 was 12.36 percent for miscellaneous employees and 17.335 percent for safety employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The County is required to contribute the remaining amounts necessary to fund the benefits of its members using the actuarial basis adopted by the PERS Board of Administrators.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 9: Employees' Retirement Plan (continued)

Annual Pension Cost

For fiscal year 2013/2014, the County's annual pension cost of \$3,687,380 for the miscellaneous plan and \$1,476,192 for the safety plan was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.30 percent to 14.20 percent for miscellaneous plan and 3.30 percent to 14.20 percent for safety plan, depending on age, service, and type of employment, and 3.00 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 2.75 percent. The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a two to five year period depending on the size of the investment gains or losses.

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20 year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period. The table below presents three year trend information.

Miscellaneous

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2012	\$ 3,588,754	100%	\$ -
June 30, 2013	3,530,581	100%	-
June 30, 2014	3,687,380	100%	-

Safety

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2012	\$ 1,374,797	100%	\$ -
June 30, 2013	1,365,026	100%	-
June 30, 2014	1,476,192	100%	-

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the safety plan was 78.2 percent funded. The actuarial accrued liability for benefits was \$71,673,728, and the actuarial value of assets was \$56,034,785, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,638,943. The covered payroll (annual payroll of active employees covered by the plan) was \$8,302,468, and the ratio of the UAAL to the covered payroll was 188.4 percent.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 9: **Employees' Retirement Plan** (continued)

Funded Status and Funding Progress (continued)

As of June 30, 2013, the most recent actuarial valuation date, the miscellaneous plan was 79.4 percent funded. The actuarial accrued liability for benefits was \$184,926,793, and the actuarial value of assets was \$146,766,641, resulting in an unfunded actuarial accrued liability (UAAL) of \$38,160,152. The covered payroll (annual payroll of active employees covered by the plan) was \$30,486,895, and the ratio of the UAAL to the covered payroll was 125.2 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 10: **Other Post-Employment Benefits (OPEB)**

Plan Description

The County sponsors medical coverage to be provided through an agent multiple-employer Healthcare plan. The County arranges health insurance coverage for employees from either of two carriers that include the California State Association of Counties (CSAC) EIA Health Program or the California Public Employees Medical and Hospital Care Act (PEMHCA). Both carriers provide health insurance through a variety of Health Maintenance Organizations (HMO) and Preferred Provider Organization (PPO) options.

Participation in the chosen healthcare plan is through a flexible benefits plan, with contributions made to the plan of up to \$800 per month for active employees. This amount includes the \$115 per month required by PEMHCA. Dental, vision and life insurance are also available and are included in the \$800 per month County contribution maximum. Copies of PERS' annual financial report may be obtained from their executive office – 400 P Street, Sacramento, CA 95814. CSAC EIA's annual financial report may be obtained by contacting them at the Office of the Chief Financial Officer, 75 Iron Point Circle, Suite 200, Folsom, California 95630.

The County extends health coverage to its retirees. The County makes the required statutory PEMHCA contribution and other monthly insurance stipends as described below for retirees that chose to continue coverage within the County plan offerings.

Retirees who have completed at least 15 continuous years of service with the County at the time of retirement are eligible for County stipend of 50% of the retiree-only medical premium depending on the health insurance option selected by the retiree. Retirees who have completed at least 20 continuous years of service at retirement are eligible for a 75% of the retiree-only medical premium depending on the health insurance option selected by the retiree. County contribution ceases at age 65 or upon death of retiree, if earlier. For those retirees covered by the PEMHCA plans, the statutory amount required continues beyond age 65 as required by law. Retirees may choose spousal and/or dependent child coverage; however, there is no County contribution for this coverage or for dental/vision coverage of either the retiree or dependents.

Funding Policy

As required by GASB 45, an actuary will determine the County's Annual Required Contribution (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 10: Other Post-Employment Benefits (OPEB) (continued)

Funding Policy (continued)

GASB 45 does not required pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County has elected not to establish an irrevocable trust at this time. The Board of Supervisors reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of the County's Annual OPEB Cost for the year ended June 30, 2014, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset). The OPEB liability has substantially decreased as a result of the termination of CalPERS health insurance for all but one employee group. This has eliminated the statutory lifetime minimum benefits as required under CalPERS health.

Annual Required Contribution	\$ 940,002
Interest on Net OPEB Obligation/(Asset)	237,104
Adjustment to Annual Required Contributions	<u>(342,793)</u>
Annual OPEB Cost (Expense)	834,313
Contributions Made	<u>(302,442)</u>
Increase to Net OPEB Obligations/(Asset)	531,871
Net OPEB Obligation/(Asset) - Beginning of Year	<u>5,927,588</u>
Net OPEB Obligation/(Asset) - End of Year	<u><u>\$ 6,459,459</u></u>

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the fiscal year ended June 30, 2014 and the two prior fiscal years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/ (Asset)
June 30, 2012	\$ 696,534	\$ 259,238	37.22%	\$ 5,542,708
June 30, 2013	696,534	311,654	44.74%	5,927,588
June 30, 2014	834,313	302,442	36.25%	6,459,459

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 10: **Other Post-Employment Benefits (OPEB)** (continued)

Funded Status and Funding Progress

The funded status of the plan as of the most recent three actuarial valuations, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Projected Unit Credit Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2009	\$ -	13,606,926	13,606,926	0.00%	40,037,600	33.99%
July 1, 2011	-	6,395,104	6,395,104	0.00%	38,444,213	16.63%
July 1, 2013	-	8,147,482	8,147,482	0.00%	38,789,363	21.01%

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's most recent actuarial valuation was performed as of July 1, 2013. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 4 percent. These assumptions reflect an implicit 3.0 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2014 was 26 years.

Note 11: **Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (Internal Service Funds) to finance its insured and uninsured risks of loss. The County's uninsured risk of loss for public liability claims is \$10,000 per occurrence; the County is fully insured for workers' compensation losses and the County is fully self-insured for all unemployment claims. The County is a member of the County Supervisors Association of California Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for counties. The County pays annual premiums to the Authority for insurance coverage.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 11: **Risk Management** (continued)

Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Actual claims unpaid as of June 30, 2014, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2014, was as follows:

Unemployment	\$ 196,271
Public Liability	<u>510,000</u>
Total	<u>\$ 706,271</u>

All funds of the County participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$706,271 reported in the funds at June 30, 2014, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates of the liabilities for incurred (both reported and unreported), but unpaid claims are actuarially determined. Liabilities are based on the estimated cost of settling the claims.

Changes in the County's claims liability amount for the fiscal years 2012, 2013, and 2014 were as follows:

Fiscal Year Ended	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance at End of Year
2013	\$ 656,320	\$ 1,156,342	\$ 1,115,995	\$ 696,667
2014	696,667	853,789	863,393	706,271

The ultimate settlement of specific claims against the County cannot presently be determined and no provision for any other liability that may result has been made in the financial statements.

Note 12: **Other Information**

A. **Construction Commitments**

The County has signed agreements to construct various capital improvement projects that were not completed by June 30, 2014. The balance owed on these commitments at June 30, 2014 was approximately \$3,074,158. The cost of these commitments will be financed by monies that have been set aside for those specific capital improvement projects.

B. **Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

COUNTY OF LAKE

Notes to Basic Financial Statements For the Year Ended June 30, 2014

Note 12: **Other Information** (continued)

B. Contingent Liabilities (continued)

The County is a defendant in various lawsuits. In the aggregate, these claims seek monetary damages in significant amounts. However, in the opinion of County Counsel, final disposition should not materially adversely affect the financial position of the County, since the legal matters are covered by the County's liability program which, subject to a \$10,000 deductible per occurrence, provides complete coverage for any County liability losses. Therefore, no provision has been made in the financial statements for a loss contingency.

The County has received cease and desist orders on water and wastewater special districts. The action required to correct these situations will require future application of funding and or debt as well as capital outlay expenditures. There is not estimate at this time of the eventual cost to the County. Therefore, no provision has been made in the financial statements.

Note 13: **Subsequent Event**

The County entered into a funding agreement with the California Department of Public Health for grant and loan monies to be used for future capital project upgrades to the CSA #20 Soda Bay water system. The total amount available is \$500,00 of which \$400,000 is a grant with no repayment required and a \$100,000 loan to be repaid within five years of funding. As of the close of the audited fiscal year and through November 2014, no monies have been spent or received on this loan/grant. Monies have been estimated and appropriated for this purpose in the 2014/2015 budget.

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF LAKE

Required Supplementary Information Schedule of Funding Progress For the Year Ended June 30, 2014

1. SCHEDULE OF FUNDING PROGRESS – PENSION

The table below presents historical analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the County Miscellaneous Plan and Safety Plan:

Miscellaneous Plan

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Value		
June 30, 2011	\$ 170,258,375	\$ 151,550,377	\$ 18,707,998	89.00%	79.30%	32,575,826	57.40%
June 30, 2012	177,587,426	159,070,088	18,517,338	89.60%	74.80%	31,367,599	59.00%
June 30, 2013	184,926,793	146,756,641	38,170,152	79.40%	79.40%	30,486,895	125.20%

Safety Plan

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Value		
June 30, 2011	\$ 64,326,102	\$ 58,596,435	\$ 5,729,667	91.10%	80.90%	\$ 7,963,671	71.90%
June 30, 2012	67,528,012	61,161,058	6,366,954	90.60%	75.50%	7,859,470	81.00%
June 30, 2013	71,673,728	56,034,785	15,638,943	78.20%	78.20%	8,302,468	188.40%

2. SCHEDULE OF FUNDING PROGRESS – OTHER POST EMPLOYMENT BENEFITS

The table below presents historical analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial liability as a percentage of the annual covered payroll for the County:

Valuation Date	Projected Unit Credit Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
July 1, 2009	\$ 13,606,926	\$ -	\$ 13,606,926	0.00%	\$ 40,037,600	33.99%
July 1, 2011	6,395,104	-	6,395,104	0.00%	38,444,213	16.63%
July 1, 2013	8,147,482	-	8,147,482	0.00%	39,227,069	20.77%

COUNTY OF LAKE

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Resources (inflows):				
Taxes	\$ 26,145,725	\$ 26,145,725	\$ 27,794,224	\$ 1,648,499
Licenses and permits	109,400	109,400	136,090	26,690
Fines, forfeitures and penalties	956,250	943,513	954,947	11,434
Use of money and property	470,169	485,169	518,389	33,220
Intergovernmental	13,282,743	13,203,075	11,054,374	(2,148,701)
Charges for services	4,292,806	4,299,756	4,432,689	132,933
Other revenues	1,035,945	1,528,115	1,526,371	(1,744)
Amounts available for appropriation	<u>46,293,038</u>	<u>46,714,753</u>	<u>46,417,084</u>	<u>(297,669)</u>
Expenditures:				
Current:				
General Government:				
County Counsel	808,921	810,921	708,856	102,065
Registrar of Voters	738,198	681,966	615,869	66,097
Non Departmental Revenue	162,600	162,600	55,243	107,357
Auditor-Controller	981,362	970,487	872,193	98,294
Treasurer-Tax Collector	1,132,962	1,055,962	906,539	149,423
Assessor	999,469	999,469	825,166	174,303
Central Services	101,590	95,821	76,900	18,921
Board of Supervisors	462,496	462,496	448,797	13,699
Administrative Office	529,325	527,243	511,362	15,881
Clerk to Board of Supervisor	84,637	111,737	84,912	26,825
Public Works Admin.	699,942	702,242	669,896	32,346
Information Technology	1,210,526	1,210,748	1,085,983	124,765
Engineering & Inspection	1,163,985	1,165,485	1,078,803	86,682
Human Resources	575,824	581,901	549,533	32,368
Visitor Information Center	169,481	169,481	137,583	31,898
Marketing & Economic Development	512,516	512,516	280,292	232,224
Building and Grounds	1,145,870	1,246,010	1,162,505	83,505
Plant Acquisition	1,038,314	1,106,470	392,544	713,926
Appropriation for contingencies	3,364,000	3,173,384	--	3,173,384
Total General Government	<u>15,882,018</u>	<u>15,746,939</u>	<u>10,462,976</u>	<u>5,283,963</u>

continued

COUNTY OF LAKE

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Protection:				
Probation	\$ 3,272,881	\$ 3,265,838	\$ 3,183,253	\$ 82,585
Juvenile Home	1,704,256	1,610,036	1,469,046	140,990
Jail-Medical Services	1,806,766	1,874,866	1,745,861	129,005
Trial Courts	291,159	303,422	303,422	--
Grand Jurors	66,275	66,275	52,607	13,668
District Attorney	2,756,408	2,800,439	2,703,269	97,170
Public Defender	1,123,140	1,303,140	1,144,975	158,165
DA/Victim-Witness Program	161,244	172,205	140,144	32,061
DA Grant Programs	740,186	674,186	614,085	60,101
Planning	1,210,862	1,105,672	1,029,259	76,413
Animal Care and Control	825,576	781,076	768,669	12,407
Emergency Services	304,234	321,125	147,294	173,831
Recorder	257,401	261,789	249,300	12,489
Sheriff-Coroner	7,461,115	7,478,653	7,242,459	236,194
Sheriff-Central Dispatch	1,194,320	1,199,260	949,271	249,989
Sheriff-Marijuana Suppression	225,906	215,707	196,459	19,248
Sheriff-Court Security	395,300	395,300	339,421	55,879
Sheriff-Marine Patrol	383,518	383,518	340,052	43,466
Sheriff-Jail Facilities	7,900,461	7,964,830	7,541,602	423,228
Agricultural Commissioner	615,012	643,012	627,816	15,196
Total Public Protection	<u>32,696,020</u>	<u>32,820,349</u>	<u>30,788,264</u>	<u>2,032,085</u>
Public Assistance:				
Senior Citizens Program	104,575	104,575	104,575	--
Veterans Services	216,599	253,955	235,317	18,638
Total Public Assistance	<u>321,174</u>	<u>358,530</u>	<u>339,892</u>	<u>18,638</u>
Education:				
UC Cooperative Extension	211,260	211,260	192,914	18,346
Total Education	<u>211,260</u>	<u>211,260</u>	<u>192,914</u>	<u>18,346</u>
Recreation and Culture:				
Museum	154,926	156,201	141,969	14,232
Parks & Recreation	1,454,224	1,479,889	1,334,473	145,416
Total Recreation and Culture	<u>1,609,150</u>	<u>1,636,090</u>	<u>1,476,442</u>	<u>159,648</u>

continued

COUNTY OF LAKE

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital Outlay:				
Clerk to Board of Supervisors	\$ 30,000	\$ 19,800	\$ 7,892	\$ 11,908
Auditor-Controller	32,387	44,387	42,861	1,526
Buildings & Grounds	10,000	10,000	--	10,000
Plant Aquisition	4,569,895	4,814,638	1,579,615	3,235,023
Visitor Information Center	5,200	5,200	5,200	--
Information Technology	58,000	58,000	57,633	367
District Attorney	--	62,000	61,116	884
DA/Victim-Witness Program	17,415	14,112	14,111	1
SH-Marijuana Suppression	--	11,000	10,884	116
Sheriff-Central Dispatch	50,000	50,000	--	50,000
Sheriff-Coroner	102,000	102,000	--	102,000
Juvenile Home	--	12,220	--	12,220
Sheriff-Jail Facilities	438,387	438,387	260,637	177,750
Emergency Services	166,595	166,595	129,115	37,480
Parks & Recreation	725,029	740,114	42,672	697,442
Museum	25,000	25,000	25,000	--
Total Capital Outlay	<u>6,229,908</u>	<u>6,573,453</u>	<u>2,236,736</u>	<u>4,336,717</u>
Total expenditures	<u>56,949,530</u>	<u>57,346,621</u>	<u>45,497,224</u>	<u>11,849,397</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,656,492)</u>	<u>(10,631,868)</u>	<u>919,860</u>	<u>11,551,728</u>
Other Financing Sources (Uses)				
Transfers in	1,158,100	1,178,100	999,937	(178,163)
Transfers out	<u>(1,749,002)</u>	<u>(1,778,802)</u>	<u>(1,521,736)</u>	<u>257,066</u>
Total other financing sources (uses)	<u>(590,902)</u>	<u>(600,702)</u>	<u>(521,799)</u>	<u>78,903</u>
Net change in fund balance	(11,247,394)	(11,232,570)	398,061	11,630,631
Fund balances, beginning of year	<u>30,936,054</u>	<u>30,936,054</u>	<u>30,936,054</u>	<u>--</u>
Fund balances, end of year	<u>\$ 19,688,660</u>	<u>\$ 19,703,484</u>	<u>\$ 31,334,115</u>	<u>\$ 11,630,631</u>

continued

COUNTY OF LAKE

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 398,061

The amount reported in the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance was different because:

Advances to and from other funds are offset to other revenues for budgetary purposes, but are not revenues for financial reporting purposes

(821,607)

Net Change in Fund Balances - Statement of Revenues, Expenditures, and Changes in Fund Balances \$ (423,546)

Reconciliation of Fund Balances - Budgetary to GAAP Basis:

Fund Balances - Ending - Budgetary Basis \$ 31,334,115

Cumulative effect of reclassification of advances to and from other funds (821,607)

Fund Balances - Ending - Basis \$ 30,512,508

Indirect charges of \$1,648,577 are reported as revenues and expenditures for budgetary purposes but are eliminated for financial reporting purposes

COUNTY OF LAKE

Budgetary Comparison Schedule Housing Programs For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 500	\$ 500	\$ 1,191	\$ 691
Intergovernmental	245,115	995,115	249,353	(745,762)
Charges for services	--	--	3,717	3,717
Other revenues	135,000	135,000	149,171	14,171
Total revenues	<u>380,615</u>	<u>1,130,615</u>	<u>403,432</u>	<u>(727,183)</u>
Expenditures				
Current:				
Public assistance	543,361	1,307,520	519,558	787,962
Total expenditures	<u>543,361</u>	<u>1,307,520</u>	<u>519,558</u>	<u>787,962</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(162,746)</u>	<u>(176,905)</u>	<u>(116,126)</u>	<u>60,779</u>
Other Financing Sources (Uses)				
Transfers in	--	--	15,900	15,900
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>15,900</u>	<u>15,900</u>
Net change in fund balance	(162,746)	(176,905)	(100,226)	76,679
Fund balances, beginning of year	<u>5,782,160</u>	<u>5,782,160</u>	<u>5,782,160</u>	<u>--</u>
Fund balances, end of year	<u>\$ 5,619,414</u>	<u>\$ 5,605,255</u>	<u>\$ 5,681,934</u>	<u>\$ 76,679</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ (100,226)

The amount reported in the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances was different because:

Advances to and from other funds are offset to expenditures for budgetary
purposes, but are not expenditures for financial reporting purposes.

49,540

**Net Change in Fund Balances - Statement of Revenues,
Expenditures and Changes in Fund Balances** \$ (50,686)

Reconciliation of Fund Balances - Budgetary to GAAP Basis:

Fund Balances - Ending - Budgetary Basis \$ 5,681,934

Cumulative effect of reclassification of advances to and from other funds 49,540

Fund Balances - Ending - GAAP Basis \$ 5,731,474

COUNTY OF LAKE

Budgetary Comparison Schedule Social Services For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 36,262,608	\$ 37,224,158	\$ 37,022,307	\$ (201,851)
Charges for services	2,308,718	2,308,718	1,796,741	(511,977)
Other revenues	(7,000)	(7,000)	36,635	43,635
Total revenues	<u>38,564,326</u>	<u>39,525,876</u>	<u>38,855,683</u>	<u>(670,193)</u>
Expenditures				
Current:				
Public assistance	41,415,013	42,580,024	37,483,095	5,096,929
Capital outlay	519,000	519,000	250,337	268,663
Total expenditures	<u>41,934,013</u>	<u>43,099,024</u>	<u>37,733,432</u>	<u>5,365,592</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,369,687)</u>	<u>(3,573,148)</u>	<u>1,122,251</u>	<u>4,695,399</u>
Other Financing Sources (Uses)				
Transfers in	632,747	632,747	628,475	(4,272)
Total other financing sources (uses)	<u>632,747</u>	<u>632,747</u>	<u>628,475</u>	<u>(4,272)</u>
Net change in fund balance	(2,736,940)	(2,940,401)	1,750,726	4,691,127
Fund balances, beginning of year	<u>2,241,627</u>	<u>2,241,627</u>	<u>2,241,627</u>	<u>--</u>
Fund balances, end of year	<u>\$ (495,313)</u>	<u>\$ (698,774)</u>	<u>\$ 3,992,353</u>	<u>\$ 4,691,127</u>

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

Net Change in Fund Balances - Budgetary Basis \$ 1,750,726

The amount reported in the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances was different because:

Advances to and from other funds are offset to revenues for budgetary purposes,
but are not revenues for financial reporting purposes.

661,550

Net Change in Fund Balances - Statement of Revenues, Expenditures and
Changes in Fund Balances

\$ 2,412,276

Reconciliation of Fund Balances - Budgetary to GAAP Basis:

Fund Balances - Ending - Budgetary Basis \$ 3,992,353

Cumulative effect of reclassification of advances to and from other funds

661,550

Fund Balances - Ending - GAAP Basis

\$ 4,653,903

COUNTY OF LAKE

Required Supplementary Information Note to Required Supplementary Information For the Year Ended June 30, 2014

A. SCHEDULE OF FUNDING PROGRESS – PENSION

The Schedule of Funding Progress – Pension presents a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the pension plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

B. SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS

The Schedule of Funding Progress – Other Postemployment Benefits provides a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

C. BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The County follows these procedures annually in establishing the budgetary data reflected in the financial statements.

- (1) The County Administrative Officer submits to the Board of Supervisors a recommended budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. The recommended budget is approved by the Board prior to July 1st.
- (2) The Board of Supervisors conducts an advertised public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to October 2, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as proposed expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrative Officer may authorize transfers from one object to another within the same department.

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for the County's General and Special Revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The Supplementary Law Enforcement Services nonmajor special revenue fund did not have a legally adopted budget.

The County uses an encumbrance system as an extension of normal budgetary accounting for the general and other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year end are recorded as restrictions, commitments or assignments of fund balance, depending on the funding sources, since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are rebudgeted in the ensuing year's budget.

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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COUNTY OF LAKE

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<u>Assets</u>				
Cash and investments	\$36,827,999	\$ 8,101,991	\$1,677,902	\$46,607,892
Restricted cash	58,168	--	--	58,168
Imprest cash	1,710	--	--	1,710
Cash with fiscal agents	320,887	--	77,849	398,736
Accounts receivable	2,591,757	--	45,863	2,637,620
Due from other governments	497,417	--	--	497,417
Interest receivable	6,313	--	--	6,313
Advances to other funds	497,167	--	--	497,167
Inventory	119,531	--	--	119,531
Loans receivable	1,686,195	--	--	1,686,195
Total Assets	<u>\$42,607,144</u>	<u>\$ 8,101,991</u>	<u>\$1,801,614</u>	<u>\$52,510,749</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,698,928	\$ --	\$ 85,950	\$ 1,784,878
Accrued salaries and benefits	1,743,238	--	--	1,743,238
Deposits payable	104,362	--	--	104,362
Unearned revenues	1,120,343	--	922,346	2,042,689
Advances from other funds	1,020,434	--	--	1,020,434
Total Liabilities	<u>5,687,305</u>	<u>--</u>	<u>1,008,296</u>	<u>6,695,601</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	497,417	--	--	497,417
Total Deferred Inflows of Resources	<u>497,417</u>	<u>--</u>	<u>--</u>	<u>497,417</u>
<u>Fund Balances</u>				
Nonspendable	119,531	--	--	119,531
Restricted	36,302,891	8,101,991	68,086	44,472,968
Assigned	--	--	725,232	725,232
Total Fund Balances	<u>36,422,422</u>	<u>8,101,991</u>	<u>793,318</u>	<u>45,317,731</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$42,607,144</u>	<u>\$ 8,101,991</u>	<u>\$1,801,614</u>	<u>\$52,510,749</u>

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues				
Taxes	\$ 2,555,517	\$ 68,317	\$ --	\$ 2,623,834
Licenses and permits	1,503,434	--	--	1,503,434
Fines, forfeitures and penalties	302,305	784,936	--	1,087,241
Use of money and property	225,957	39,027	396	265,380
Intergovernmental	32,675,904	--	229,043	32,904,947
Charges for services	16,534,393	2,227,607	--	18,762,000
Other revenues	491,332	--	30,538	521,870
Total Revenues	<u>54,288,842</u>	<u>3,119,887</u>	<u>259,977</u>	<u>57,668,706</u>
Expenditures				
Current:				
General government	684,965	--	80,372	765,337
Public protection	6,148,884	--	6,900	6,155,784
Public ways and facilities	13,457,005	--	56,465	13,513,470
Health and sanitation	20,819,573	--	--	20,819,573
Public assistance	3,351,072	--	8,366	3,359,438
Education	1,039,936	--	--	1,039,936
Culture and recreation	4,829	--	--	4,829
Debt Service:				
Principal	--	1,602,478	--	1,602,478
Interest	--	648,112	--	648,112
Capital outlay	8,061,582	--	1,788,273	9,849,855
Total Expenditures	<u>53,567,846</u>	<u>2,250,590</u>	<u>1,940,376</u>	<u>57,758,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>720,996</u>	<u>869,297</u>	<u>(1,680,399)</u>	<u>(90,106)</u>
Other Financing Sources (Uses)				
Transfers in	705,019	28,824	985,320	1,719,163
Transfers out	(1,848,872)	--	(3,966)	(1,852,838)
Proceeds from sale of capital assets	289	--	--	289
Total Other Financing Sources (Uses)	<u>(1,143,564)</u>	<u>28,824</u>	<u>981,354</u>	<u>(133,386)</u>
Net Change in Fund Balance	<u>(422,568)</u>	<u>898,121</u>	<u>(699,045)</u>	<u>(223,492)</u>
Fund Balances, Beginning of Year	<u>36,847,764</u>	<u>7,203,870</u>	<u>1,492,363</u>	<u>45,543,997</u>
Change in inventory on purchases method	<u>(2,774)</u>	<u>--</u>	<u>--</u>	<u>(2,774)</u>
Fund Balances, End of Year	<u>\$36,422,422</u>	<u>\$ 8,101,991</u>	<u>\$ 793,318</u>	<u>\$ 45,317,731</u>

NONMAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

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**COUNTY OF LAKE, CALIFORNIA
NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for revenues that are restricted by law or administrative action and expenditures for specified purposes. Nonmajor special revenue funds used by the County are listed below:

- **ROAD**
to provide for the maintenance, repair, and reconstruction of roads and bridges within the County road system.
- **PARK DEVELOPMENT QUIMBY**
to provide for the maintenance and development of parks.
- **COMMUNITY DEVELOPMENT**
to account for the services to provide building and grading inspection services in the unincorporated area of Lake County.
- **GEOTHERMAL RESOURCE ROYALTIES**
to account for the geothermal impact mitigation fees and provide funding for various projects.
- **FISH AND GAME**
to account for the services provided for the protection and propagation of fish and game.
- **SPECIAL AVIATION**
to account for the operation and maintenance of the County Airport at Lampson Field.
- **SPECIAL DISTRICTS ADMINISTRATION**
to account for the administrative, labor, and overhead costs for the management of four wastewater systems, ten potable water systems, and nine lighting districts.
- **SHERIFF PROGRAMS**
to account for the operation of the Sheriff department.
- **DISTRICT ATTORNEY PROGRAMS**
to account for the activities of the District Attorney department.
- **LOW-MOD INCOME HOUSING**
to account for activities of former redevelopment agency as successor agency.
- **ANIMAL CONTROL SPAY/NEUTER PROGRAMS**
to account for operation and maintenance of the spay/neuter program.
- **SUPPLEMENTAL LAW ENFORCEMENT SERVICES**
to account for law enforcement operations.
- **HEALTH PROGRAMS**
to account for operation of health programs.
- **IHSS PUBLIC AUTHORITY**
to account for the County's activities for AB 1682 mandates.

**COUNTY OF LAKE, CALIFORNIA
NONMAJOR SPECIAL REVENUE FUNDS**

- **RECORDER PROGRAMS**
to account for recording activities.
- **AIR QUALITY DISTRICT**
to account for the operations of the air quality management district.
- **CDBG HOUSING PROGRAMS**
to account for the CDBG housing program activities.
- **CHILD SUPPORT SERVICES**
to account for the administrative oversight of the child support enforcement program.
- **MUSEUM**
to account for operation and maintenance of the County museum.
- **LIBRARY**
to account for library services in the unincorporated areas of the County.
- **LAKEBED MANAGEMENT**
to account for the activities to support the purposes of the State trust on Clearlake.
- **KELSEYVILLE WATERWORKS DISTRICT**
to account for the operation and maintenance of the Kelseyville area wastewater and potable water system.
- **BEHAVIORAL HEALTH PROGRAMS**
to account for mental health services of the County.
- **LAKE COUNTY HOUSING COMMISSION**
to account for the County Housing Commission activities.
- **WATERSHED PROTECTION DISTRICTS**
to account for the watershed protection activities of the County.
- **COUNTY SERVICE AREAS**
to account for the street lighting, public protection, health and sanitation, recreation and culture, public ways, and water utilities services provided by county service area districts in the unincorporated areas of the County.
- **LIGHTING DISTRICTS**
to account for the street lighting activities of the various lighting districts of the County.
- **SHERIFF MOTOR POOL**
to account for Sheriff's Department motor pool activity.
- **SANITATION DISTRICTS**
to account for the engineering, administration, and operational services of the various sanitation districts of the County.

COUNTY OF LAKE

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2014

	Road	Park Development Quimby	Community Development	Geothermal Resource Royalties	Fish and Game
<u>Assets</u>					
Cash and investments	\$ 6,944,752	\$ 219,929	\$ 463,230	\$ 1,497,379	\$ 52,323
Restricted cash	--	--	--	--	--
Imprest cash	--	--	75	--	--
Cash with fiscal agent	--	--	--	--	--
Accounts receivable	787,930	--	--	62,625	--
Due from other governments	451,667	--	--	--	--
Interest receivable	6,313	--	--	--	--
Advances to other funds	--	--	--	26,167	--
Inventory	119,531	--	--	--	--
Loans receivable	--	--	--	--	--
Total Assets	<u>\$ 8,310,193</u>	<u>\$ 219,929</u>	<u>\$ 463,305</u>	<u>\$ 1,586,171</u>	<u>\$ 52,323</u>
<u>Liabilities</u>					
Accounts payable	\$ 357,940	\$ --	\$ 9,247	\$ 169	\$ 10,185
Salaries and benefits payable	199,495	--	38,973	--	--
Deposits payable	--	--	--	--	--
Unearned revenue	--	--	--	--	--
Advance from other funds	--	--	--	--	--
Total Liabilities	<u>557,435</u>	<u>--</u>	<u>48,220</u>	<u>169</u>	<u>10,185</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	451,667	--	--	--	--
Total Deferred Inflows of Resources	<u>451,667</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>Fund Balances</u>					
Nonspendable	119,531	--	--	--	--
Restricted	7,181,560	219,929	415,085	1,586,002	42,138
Total Fund Balances	<u>7,301,091</u>	<u>219,929</u>	<u>415,085</u>	<u>1,586,002</u>	<u>42,138</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,310,193</u>	<u>\$ 219,929</u>	<u>\$ 463,305</u>	<u>\$ 1,586,171</u>	<u>\$ 52,323</u>

continued

COUNTY OF LAKE

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2014

	Special Aviation	Special Districts Administration	Sheriff Programs	District Attorney Programs
<u>Assets</u>				
Cash and investments	\$ 22,073	\$ 1,071,939	\$ 3,052,397	\$ 57,356
Restricted cash	--	--	--	--
Imprest cash	--	400	--	--
Cash with fiscal agent	--	--	--	--
Accounts receivable	10,000	94,058	23,158	--
Due from other governments	--	--	--	--
Interest receivable	--	--	--	--
Advances to other funds	--	--	--	--
Inventory	--	--	--	--
Loans receivable	--	--	--	--
Total Assets	<u>\$ 32,073</u>	<u>\$ 1,166,397</u>	<u>\$ 3,075,555</u>	<u>\$ 57,356</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,128	\$ 12,987	\$ 18,992	\$ --
Salaries and benefits payable	1,523	318,243	--	--
Deposits payable	--	--	--	--
Unearned revenue	--	--	--	--
Advance from other funds	--	--	--	--
Total Liabilities	<u>2,651</u>	<u>331,230</u>	<u>18,992</u>	<u>--</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	29,422	835,167	3,056,563	57,356
Total Fund Balances	<u>29,422</u>	<u>835,167</u>	<u>3,056,563</u>	<u>57,356</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,073</u>	<u>\$ 1,166,397</u>	<u>\$ 3,075,555</u>	<u>\$ 57,356</u>

continued

COUNTY OF LAKE

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2014

	Animal Control Spay/Neuter Programs	Supplemental Law Enforcement Services	Health Programs
<u>Assets</u>			
Cash and investments	\$ 10,359	\$ 10	\$ 1,449,010
Restricted cash	--	--	--
Imprest cash	--	--	275
Cash with fiscal agent	--	--	--
Accounts receivable	--	--	198,126
Due from other governments	--	--	--
Interest receivable	--	--	--
Advances to other funds	--	--	--
Inventory	--	--	--
Loans receivable	--	--	--
Total Assets	<u>\$ 10,359</u>	<u>\$ 10</u>	<u>\$ 1,647,411</u>
<u>Liabilities</u>			
Accounts payable	\$ 174	\$ --	\$ 10,201
Salaries and benefits payable	--	--	300,852
Deposits payable	--	--	--
Unearned revenue	6,726	--	1,113,617
Advance from other funds	--	--	--
Total Liabilities	<u>6,900</u>	<u>--</u>	<u>1,424,670</u>
<u>Deferred Inflows of Resources</u>			
Unavailable revenue	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>
<u>Fund Balances</u>			
Nonspendable	--	--	--
Restricted	3,459	10	222,741
Total Fund Balances	<u>3,459</u>	<u>10</u>	<u>222,741</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,359</u>	<u>\$ 10</u>	<u>\$ 1,647,411</u>

continued

COUNTY OF LAKE

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2014

	IHSS Public Authority	Recorder Programs	Air Quality District	CDBG Housing Programs
<u>Assets</u>				
Cash and investments	\$ --	\$ 1,641,853	\$ 1,160,418	\$ 111,310
Restricted cash	--	--	--	--
Imprest cash	--	--	--	--
Cash with fiscal agent	--	--	--	--
Accounts receivable	623,064	--	--	--
Due from other governments	--	--	--	--
Interest receivable	--	--	--	--
Advances to other funds	--	--	--	--
Inventory	--	--	--	--
Loans receivable	--	--	--	998,239
Total Assets	<u>\$ 623,064</u>	<u>\$ 1,641,853</u>	<u>\$ 1,160,418</u>	<u>\$ 1,109,549</u>
<u>Liabilities</u>				
Accounts payable	\$ 623,064	\$ 38	\$ 5,633	\$ --
Salaries and benefits payable	--	1,233	38,334	--
Deposits payable	--	--	--	--
Unearned revenue	--	--	--	--
Advance from other funds	--	--	--	--
Total Liabilities	<u>623,064</u>	<u>1,271</u>	<u>43,967</u>	<u>--</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	--	1,640,582	1,116,451	1,109,549
Total Fund Balances	<u>--</u>	<u>1,640,582</u>	<u>1,116,451</u>	<u>1,109,549</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 623,064</u>	<u>\$ 1,641,853</u>	<u>\$ 1,160,418</u>	<u>\$ 1,109,549</u>

continued

COUNTY OF LAKE

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2014

	Child Support Services	Museum	Library	Lakebed Management
<u>Assets</u>				
Cash and investments	\$ 343,366	\$ 26,624	\$ 314,276	\$ 104,560
Restricted cash	--	--	--	--
Imprest cash	50	--	80	--
Cash with fiscal agent	--	--	--	--
Accounts receivable	--	--	8,800	--
Due from other governments	--	--	--	--
Interest receivable	--	--	--	--
Advances to other funds	--	--	--	--
Inventory	--	--	--	--
Loans receivable	--	--	--	--
Total Assets	<u>\$ 343,416</u>	<u>\$ 26,624</u>	<u>\$ 323,156</u>	<u>\$ 104,560</u>
<u>Liabilities</u>				
Accounts payable	\$ 5,024	\$ --	\$ 11,199	\$ 144
Salaries and benefits payable	187,907	--	65,048	--
Deposits payable	--	--	--	--
Unearned revenue	--	--	--	--
Advance from other funds	--	--	--	--
Total Liabilities	<u>192,931</u>	<u>--</u>	<u>76,247</u>	<u>144</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	150,485	26,624	246,909	104,416
Total Fund Balances	<u>150,485</u>	<u>26,624</u>	<u>246,909</u>	<u>104,416</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 343,416</u>	<u>\$ 26,624</u>	<u>\$ 323,156</u>	<u>\$ 104,560</u>

continued

COUNTY OF LAKE

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2014

	Kelseyville Waterworks District	Behavioral Health Programs	Lake County Housing Commission	Watershed Protection Districts
<u>Assets</u>				
Cash and investments	\$ 853,741	\$ 4,466,222	\$ 94,095	\$ 2,056,134
Restricted cash	--	--	58,168	--
Imprest cash	--	830	--	--
Cash with fiscal agent	--	--	--	--
Accounts receivable	--	499,291	--	--
Due from other governments	--	45,750	--	--
Interest receivable	--	--	--	--
Advances to other funds	--	--	471,000	--
Inventory	--	--	--	--
Loans receivable	--	--	687,956	--
Total Assets	<u>\$ 853,741</u>	<u>\$ 5,012,093</u>	<u>\$ 1,311,219</u>	<u>\$ 2,056,134</u>
<u>Liabilities</u>				
Accounts payable	\$ 3,512	\$ 382,636	\$ 5,163	\$ 6,648
Salaries and benefits payable	--	553,120	--	38,510
Deposits payable	--	--	58,168	--
Unearned revenue	--	--	--	--
Advance from other funds	--	356,524	--	--
Total Liabilities	<u>3,512</u>	<u>1,292,280</u>	<u>63,331</u>	<u>45,158</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	--	45,750	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>45,750</u>	<u>--</u>	<u>--</u>
<u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	850,229	3,674,063	1,247,888	2,010,976
Total Fund Balances	<u>850,229</u>	<u>3,674,063</u>	<u>1,247,888</u>	<u>2,010,976</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 853,741</u>	<u>\$ 5,012,093</u>	<u>\$ 1,311,219</u>	<u>\$ 2,056,134</u>

continued

COUNTY OF LAKE

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2014

	County Service Areas	Lighting Districts	Sheriff Motor Pool	Sanitation Districts	Totals
<u>Assets</u>					
Cash and investments	\$ 4,030,640	\$ 425,692	\$ 1,804,849	\$ 4,553,462	\$ 36,827,999
Restricted cash	--	--	--	--	58,168
Imprest cash	--	--	--	--	1,710
Cash with fiscal agent	--	--	--	320,887	320,887
Accounts receivable	--	--	--	284,705	2,591,757
Due from other governments	--	--	--	--	497,417
Interest receivable	--	--	--	--	6,313
Advances to other funds	--	--	--	--	497,167
Inventory	--	--	--	--	119,531
Loans receivable	--	--	--	--	1,686,195
Total Assets	<u>\$ 4,030,640</u>	<u>\$ 425,692</u>	<u>\$ 1,804,849</u>	<u>\$ 5,159,054</u>	<u>\$ 42,607,144</u>
<u>Liabilities</u>					
Accounts payable	\$ 35,075	\$ --	\$ --	\$ 199,769	\$ 1,698,928
Salaries and benefits payable	--	--	--	--	1,743,238
Deposits payable	--	--	--	46,194	104,362
Unearned revenue	--	--	--	--	1,120,343
Advance from other funds	512,930	--	--	150,980	1,020,434
Total Liabilities	<u>548,005</u>	<u>--</u>	<u>--</u>	<u>396,943</u>	<u>5,687,305</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	--	--	--	--	497,417
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>497,417</u>
<u>Fund Balances</u>					
Nonspendable	--	--	--	--	119,531
Restricted	3,482,635	425,692	1,804,849	4,762,111	36,302,891
Total Fund Balances	<u>3,482,635</u>	<u>425,692</u>	<u>1,804,849</u>	<u>4,762,111</u>	<u>36,422,422</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,030,640</u>	<u>\$ 425,692</u>	<u>\$ 1,804,849</u>	<u>\$ 5,159,054</u>	<u>\$ 42,607,144</u>

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	Road	Park Development Quimby	Community Development	Geothermal Resource Royalties	Fish and Game
Revenues					
Taxes	\$ 709,879	\$ --	\$ 16,219	\$ --	\$ 62,423
Licenses and permits	85,315	--	305,080	--	--
Fines and forfeitures	162	--	4,594	--	2,816
Use of money and property	32,526	1,161	2,234	6,364	285
Intergovernmental	8,896,837	--	--	1,565,127	1,012
Charges for services	948,556	6,786	128,411	--	--
Other revenues	10,654	--	2,347	3,000	--
Total Revenues	<u>10,683,929</u>	<u>7,947</u>	<u>458,885</u>	<u>1,574,491</u>	<u>66,536</u>
Expenditures					
Current:					
General government	--	--	--	543,515	--
Public protection	--	--	720,785	--	96,204
Public ways and facilities	5,684,146	--	--	--	--
Health and sanitation	--	--	--	--	--
Public assistance	--	--	--	--	--
Education	--	--	--	--	--
Recreation and culture	--	--	--	--	--
Capital outlay	5,194,700	3,236	--	--	--
Total Expenditures	<u>10,878,846</u>	<u>3,236</u>	<u>720,785</u>	<u>543,515</u>	<u>96,204</u>
Excess of Revenues Over (Under) Expenditures	<u>(194,917)</u>	<u>4,711</u>	<u>(261,900)</u>	<u>1,030,976</u>	<u>(29,668)</u>
Other Financing Sources (Uses)					
Transfers in	23,413	--	139,600	--	35,872
Transfers out	--	--	--	(872,937)	--
Proceeds from sale of capital assets	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>23,413</u>	<u>--</u>	<u>139,600</u>	<u>(872,937)</u>	<u>35,872</u>
Net Change in Fund Balances	(171,504)	4,711	(122,300)	158,039	6,204
Fund Balances, Beginning of Year	7,475,369	215,218	537,385	1,427,963	35,934
Change in inventory on purchases method	<u>(2,774)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances, End of Year	<u>\$ 7,301,091</u>	<u>\$ 219,929</u>	<u>\$ 415,085</u>	<u>\$ 1,586,002</u>	<u>\$ 42,138</u>

continued

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued) Nonmajor Special Revenue Funds For the Year Ended June 30, 2014

	Special Aviation	Special Districts Administration	Sheriff Programs	District Attorney Programs
Revenues				
Taxes	\$ 15	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines and forfeitures	--	--	158,421	1,749
Use of money and property	37,918	3,894	18,439	293
Intergovernmental	10,000	314,116	835,091	10,983
Charges for services	--	3,716,546	87,071	7,314
Other revenues	--	10,135	61,540	15,113
Total Revenues	<u>47,933</u>	<u>4,044,691</u>	<u>1,160,562</u>	<u>35,452</u>
Expenditures				
Current:				
General government	--	--	--	--
Public protection	--	--	1,042,486	35,026
Public ways and facilities	49,627	3,881,338	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	212,989	109,571	--
Total Expenditures	<u>49,627</u>	<u>4,094,327</u>	<u>1,152,057</u>	<u>35,026</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,694)</u>	<u>(49,636)</u>	<u>8,505</u>	<u>426</u>
Other Financing Sources (Uses)				
Transfers in	--	--	--	--
Transfers out	--	--	(650,000)	--
Proceeds from sale of capital assets	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(650,000)</u>	<u>--</u>
Net Change in Fund Balances	(1,694)	(49,636)	(641,495)	426
Fund Balances, Beginning of Year	31,116	884,803	3,698,058	56,930
Change in inventory on purchases method	--	--	--	--
Fund Balances, End of Year	<u>\$ 29,422</u>	<u>\$ 835,167</u>	<u>\$ 3,056,563</u>	<u>\$ 57,356</u>

continued

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	Low-Mod Income Housing	Animal Control Spay/Neuter Programs	Supplemental Law Enforcement Services	Health Programs
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	11,848	--	570,459
Fines and forfeitures	--	--	--	1,754
Use of money and property	--	--	63	1,287
Intergovernmental	--	--	538,079	3,632,216
Charges for services	--	104,933	--	675,283
Other revenues	--	7,351	--	14,975
Total Revenues	<u>--</u>	<u>124,132</u>	<u>538,142</u>	<u>4,895,974</u>
Expenditures				
Current:				
General government	--	--	--	--
Public protection	--	173,872	538,132	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	4,872,855
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	71,624
Total Expenditures	<u>--</u>	<u>173,872</u>	<u>538,132</u>	<u>4,944,479</u>
Excess of Revenues Over (Under) Expenditures	<u>--</u>	<u>(49,740)</u>	<u>10</u>	<u>(48,505)</u>
Other Financing Sources (Uses)				
Transfers in	--	29,800	--	118,222
Transfers out	--	--	--	--
Proceeds from sale of capital assets	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>29,800</u>	<u>--</u>	<u>118,222</u>
Net Change in Fund Balances	--	(19,940)	10	69,717
Fund Balances, Beginning of Year	--	23,399	0	153,024
Change in inventory on purchases method	--	--	--	--
Fund Balances, End of Year	<u>\$ --</u>	<u>\$ 3,459</u>	<u>\$ 10</u>	<u>\$ 222,741</u>

continued

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	IHSS Public Authority	Recorder Programs	Air Quality District	CDBG Housing Programs
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	469,913	--
Fines and forfeitures	--	--	33,467	--
Use of money and property	--	8,261	6,353	581
Intergovernmental	1,385,441	--	107,523	76
Charges for services	20,728	123,721	3,879	--
Other revenues	--	--	4,418	18,615
Total Revenues	<u>1,406,169</u>	<u>131,982</u>	<u>625,553</u>	<u>19,272</u>
Expenditures				
Current:				
General government	--	--	--	--
Public protection	--	119,065	--	--
Public ways and facilities	--	--	495,712	--
Health and sanitation	--	--	--	--
Public assistance	1,385,441	--	--	7,139
Education	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	69,581	--
Total Expenditures	<u>1,385,441</u>	<u>119,065</u>	<u>565,293</u>	<u>7,139</u>
Excess of Revenues Over (Under) Expenditures	<u>20,728</u>	<u>12,917</u>	<u>60,260</u>	<u>12,133</u>
Other Financing Sources (Uses)				
Transfers in	--	--	--	--
Transfers out	(20,728)	--	--	(26,999)
Proceeds from sale of capital assets	--	--	289	--
Total Other Financing Sources (Uses)	<u>(20,728)</u>	<u>--</u>	<u>289</u>	<u>(26,999)</u>
Net Change in Fund Balances	--	12,917	60,549	(14,866)
Fund Balances, Beginning of Year	--	1,627,665	1,055,902	1,124,415
Change in inventory on purchases method	--	--	--	--
Fund Balances, End of Year	<u><u>\$ --</u></u>	<u><u>\$ 1,640,582</u></u>	<u><u>\$ 1,116,451</u></u>	<u><u>\$ 1,109,549</u></u>

continued

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued) Nonmajor Special Revenue Funds For the Year Ended June 30, 2014

	Child Support Services	Museum	Library	Lakebed Management
Revenues				
Taxes	\$ --	\$ --	\$ 758,589	\$ --
Licenses and permits	--	--	--	16,710
Fines and forfeitures	--	--	7	--
Use of money and property	2,995	167	11,819	519
Intergovernmental	2,169,081	--	44,404	--
Charges for services	--	--	23,308	--
Other revenues	1,641	--	28,494	161,333
Total Revenues	<u>2,173,717</u>	<u>167</u>	<u>866,621</u>	<u>178,562</u>
Expenditures				
Current:				
General government	--	--	--	141,450
Public protection	2,104,040	--	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	1,039,936	--
Recreation and culture	--	4,829	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>2,104,040</u>	<u>4,829</u>	<u>1,039,936</u>	<u>141,450</u>
Excess of Revenues Over (Under) Expenditures	<u>69,677</u>	<u>(4,662)</u>	<u>(173,315)</u>	<u>37,112</u>
Other Financing Sources (Uses)				
Transfers in	--	--	--	--
Transfers out	(229,937)	--	--	--
Proceeds from sale of capital assets	--	--	--	--
Total Other Financing Sources (Uses)	<u>(229,937)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(160,260)	(4,662)	(173,315)	37,112
Fund Balances, Beginning of Year	310,745	31,286	420,224	67,304
Change in inventory on purchases method	--	--	--	--
Fund Balances, End of Year	<u>\$ 150,485</u>	<u>\$ 26,624</u>	<u>\$ 246,909</u>	<u>\$ 104,416</u>

continued

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

	Kelseyville Waterworks District	Behavioral Health Programs	Lake County Housing Commission	Watershed Protection Districts
Revenues				
Taxes	\$ 97,432	\$ --	\$ --	\$ 581,997
Licenses and permits	--	--	--	44,109
Fines and forfeitures	9	13,556	--	2,145
Use of money and property	4,963	24,528	26	15,259
Intergovernmental	1,275	9,667,075	1,683,221	909,754
Charges for services	850,504	354,345	243,036	634,034
Other revenues	--	62,873	43,404	7,532
Total Revenues	<u>954,183</u>	<u>10,122,377</u>	<u>1,969,687</u>	<u>2,194,830</u>
Expenditures				
Current:				
General government	--	--	--	--
Public protection	--	--	--	1,318,837
Public ways and facilities	809,053	--	--	--
Health and sanitation	--	10,733,522	--	--
Public assistance	--	--	1,958,492	--
Education	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	161,100	107,276	--	606,959
Total Expenditures	<u>970,153</u>	<u>10,840,798</u>	<u>1,958,492</u>	<u>1,925,796</u>
Excess of Revenues Over (Under) Expenditures	<u>(15,970)</u>	<u>(718,421)</u>	<u>11,195</u>	<u>269,034</u>
Other Financing Sources (Uses)				
Transfers in	--	61,112	--	--
Transfers out	--	--	--	--
Proceeds from sale of capital assets	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>61,112</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(15,970)	(657,309)	11,195	269,034
Fund Balances, Beginning of Year	866,199	4,331,372	1,236,693	1,741,942
Change in inventory on purchases method	--	--	--	--
Fund Balances, End of Year	<u>\$ 850,229</u>	<u>\$ 3,674,063</u>	<u>\$ 1,247,888</u>	<u>\$ 2,010,976</u>

continued

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued) Nonmajor Special Revenue Funds For the Year Ended June 30, 2014

	County Service Areas	Lighting Districts	Sheriff Motor Pool	Sanitation Districts	Totals
Revenues					
Taxes	\$ 244,821	\$ 84,142	\$ --	\$ --	\$ 2,555,517
Licenses and permits	--	0	--	--	1,503,434
Fines and forfeitures	5,072	242	--	78,311	302,305
Use of money and property	21,576	2,186	--	22,260	225,957
Intergovernmental	657,682	1,255	--	245,656	32,675,904
Charges for services	2,195,474	2,689	243,452	6,164,323	16,534,393
Other revenues	340	--	3,790	33,777	491,332
Total Revenues	<u>3,124,965</u>	<u>90,514</u>	<u>247,242</u>	<u>6,544,327</u>	<u>54,288,842</u>
Expenditures					
Current:					
General government	--	--	--	--	684,965
Public protection	437	--	--	--	6,148,884
Public ways and facilities	2,454,290	82,839	--	--	13,457,005
Health and sanitation	--	--	--	5,213,196	20,819,573
Public assistance	--	--	--	--	3,351,072
Education	--	--	--	--	1,039,936
Recreation and culture	--	--	--	--	4,829
Capital outlay	708,578	--	342,103	473,865	8,061,582
Total Expenditures	<u>3,163,305</u>	<u>82,839</u>	<u>342,103</u>	<u>5,687,061</u>	<u>53,567,846</u>
Excess of Revenues Over (Under) Expenditures	<u>(38,340)</u>	<u>7,675</u>	<u>(94,861)</u>	<u>857,266</u>	<u>720,996</u>
Other Financing Sources (Uses)					
Transfers in	297,000	--	--	--	705,019
Transfers out	(48,271)	--	--	--	(1,848,872)
Proceeds from sale of capital assets	--	--	--	--	289
Total Other Financing Sources (Uses)	<u>248,729</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,143,564)</u>
Net Change in Fund Balances	210,389	7,675	(94,861)	857,266	(422,568)
Fund Balances, Beginning of Year	3,272,246	418,017	1,899,710	3,904,845	36,847,764
Change in inventory on purchases method	--	--	--	--	(2,774)
Fund Balances, End of Year	<u>\$ 3,482,635</u>	<u>\$ 425,692</u>	<u>\$ 1,804,849</u>	<u>\$ 4,762,111</u>	<u>\$ 36,422,422</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Road Fund For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 683,175	\$ 683,175	\$ 709,879	\$ 26,704
Licenses and permits	75,000	75,000	85,315	10,315
Fines and forfeitures	1,000	1,000	162	(838)
Use of money and property	48,000	48,000	32,526	(15,474)
Intergovernmental revenues	18,779,782	16,389,782	8,896,837	(7,492,945)
Charges for services	980,300	1,086,718	948,556	(138,162)
Other revenues	43,000	43,000	10,654	(32,346)
Total Revenues	<u>20,610,257</u>	<u>18,326,675</u>	<u>10,683,929</u>	<u>(7,642,746)</u>
Expenditures				
Current:				
Public ways and facilities	7,752,280	7,807,980	5,684,146	2,123,834
Capital outlay	15,074,000	12,095,000	5,194,700	6,900,300
Total Expenditures	<u>22,826,280</u>	<u>19,902,980</u>	<u>10,878,846</u>	<u>9,024,134</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,216,023)</u>	<u>(1,576,305)</u>	<u>(194,917)</u>	<u>1,381,388</u>
Other Financing Sources (Uses)				
Transfers in	6,000	6,000	23,413	17,413
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>6,000</u>	<u>23,413</u>	<u>17,413</u>
Net Change in Fund Balance	(2,210,023)	(1,570,305)	(171,504)	1,398,801
Fund Balance, Beginning of Year	7,475,369	7,475,369	7,475,369	--
Change in inventory on purchase method	--	--	(2,774)	(2,774)
Fund Balance, End of Year	<u>\$ 5,265,346</u>	<u>\$ 5,905,064</u>	<u>\$ 7,301,091</u>	<u>\$ 1,396,027</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Park Development Quimby For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 1,600	\$ 1,600	\$ 1,161	\$ (439)
Charges for services	8,639	8,639	6,786	(1,853)
Total Revenues	<u>10,239</u>	<u>10,239</u>	<u>7,947</u>	<u>(2,292)</u>
Expenditures				
Capital outlay	225,457	225,457	3,236	222,221
Total Expenditures	<u>225,457</u>	<u>225,457</u>	<u>3,236</u>	<u>222,221</u>
Net Change in Fund Balance	<u>(215,218)</u>	<u>(215,218)</u>	<u>4,711</u>	<u>219,929</u>
Fund Balance, Beginning of Year	<u>215,218</u>	<u>215,218</u>	<u>215,218</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 219,929</u>	<u>\$ 219,929</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Community Development For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 5,000	\$ 5,000	\$ 16,219	\$ 11,219
Licenses and permits	253,203	253,203	305,080	51,877
Fines and forfeitures	200	200	4,594	4,394
Use of money and property	3,000	3,000	2,234	(766)
Charges for services	109,943	109,943	128,411	18,468
Other revenues	100	100	2,347	2,247
Total Revenues	<u>371,446</u>	<u>371,446</u>	<u>458,885</u>	<u>87,439</u>
Expenditures				
Current:				
Public protection	1,005,716	1,095,716	720,785	374,931
Total Expenditures	<u>1,005,716</u>	<u>1,095,716</u>	<u>720,785</u>	<u>374,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(634,270)</u>	<u>(724,270)</u>	<u>(261,900)</u>	<u>462,370</u>
Other Financing Sources (Uses)				
Transfers in	231,666	231,666	139,600	(92,066)
Total Other Financing Sources (Uses)	<u>231,666</u>	<u>231,666</u>	<u>139,600</u>	<u>(92,066)</u>
Net Change in Fund Balance	<u>(402,604)</u>	<u>(492,604)</u>	<u>(122,300)</u>	<u>370,304</u>
Fund Balance, Beginning of Year	<u>537,385</u>	<u>537,385</u>	<u>537,385</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 134,781</u>	<u>\$ 44,781</u>	<u>\$ 415,085</u>	<u>\$ 370,304</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Geothermal Resource Royalties For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 10,100	\$ 10,100	\$ 6,364	\$ (3,736)
Intergovernmental revenues	1,320,000	1,320,000	1,565,127	245,127
Other revenues	2,950	2,950	3,000	50
Total Revenues	<u>1,333,050</u>	<u>1,333,050</u>	<u>1,574,491</u>	<u>241,441</u>
Expenditures				
Current:				
General government	1,623,161	1,560,724	543,515	1,017,209
Capital outlay	283,185	298,185	--	298,185
Total Expenditures	<u>1,906,346</u>	<u>1,858,909</u>	<u>543,515</u>	<u>1,315,394</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(573,296)</u>	<u>(525,859)</u>	<u>1,030,976</u>	<u>1,556,835</u>
Other Financing Sources (Uses)				
Transfers out	<u>(825,500)</u>	<u>(872,937)</u>	<u>(872,937)</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>(825,500)</u>	<u>(872,937)</u>	<u>(872,937)</u>	<u>--</u>
Net Change in Fund Balance	(1,398,796)	(1,398,796)	158,039	1,556,835
Fund Balance, Beginning of Year	<u>1,427,963</u>	<u>1,427,963</u>	<u>1,427,963</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 29,167</u>	<u>\$ 29,167</u>	<u>\$ 1,586,002</u>	<u>\$ 1,556,835</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Fish and Game For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 60,145	\$ 60,145	\$ 62,423	\$ 2,278
Fines and forfeitures	4,750	4,750	2,816	(1,934)
Use of money and property	310	310	285	(25)
Intergovernmental revenues	1,110	1,110	1,012	(98)
Total Revenues	<u>66,315</u>	<u>66,315</u>	<u>66,536</u>	<u>221</u>
Expenditures				
Current:				
Public protection	120,186	120,186	96,204	23,982
Total Expenditures	<u>120,186</u>	<u>120,186</u>	<u>96,204</u>	<u>23,982</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(53,871)</u>	<u>(53,871)</u>	<u>(29,668)</u>	<u>24,203</u>
Other Financing Sources (Uses)				
Transfers in	35,872	35,872	35,872	--
Total Other Financing Sources (Uses)	<u>35,872</u>	<u>35,872</u>	<u>35,872</u>	<u>--</u>
Net Change in Fund Balance	(17,999)	(17,999)	6,204	24,203
Fund Balance, Beginning of Year	<u>35,934</u>	<u>35,934</u>	<u>35,934</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 17,935</u>	<u>\$ 17,935</u>	<u>\$ 42,138</u>	<u>\$ 24,203</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Special Aviation For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 5	\$ 5	\$ 15	\$ 10
Use of money and property	30,270	30,270	37,918	7,648
Intergovernmental revenues	10,000	10,000	10,000	--
Other revenues	50	50	--	(50)
Total Revenues	<u>40,325</u>	<u>40,325</u>	<u>47,933</u>	<u>7,608</u>
Expenditures				
Current:				
Public ways and facilities	71,441	71,441	49,627	21,814
Total Expenditures	<u>71,441</u>	<u>71,441</u>	<u>49,627</u>	<u>21,814</u>
Net Change in Fund Balance	(31,116)	(31,116)	(1,694)	29,422
Fund Balance, Beginning of Year	<u>31,116</u>	<u>31,116</u>	<u>31,116</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 29,422</u>	<u>\$ 29,422</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Special Districts Administration For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 2,925	\$ 2,925	\$ 3,894	\$ 969
Intergovernmental revenues	216,000	320,129	314,116	(6,013)
Charges for services	3,867,874	3,867,874	3,716,546	(151,328)
Other revenues	23,879	23,879	10,135	(13,744)
Total Revenues	<u>4,110,678</u>	<u>4,214,807</u>	<u>4,044,691</u>	<u>(170,116)</u>
Expenditures				
Current:				
Public ways and facilities	4,216,816	4,303,545	3,881,338	422,207
Capital outlay	196,750	282,750	212,989	69,761
Total Expenditures	<u>4,413,566</u>	<u>4,586,295</u>	<u>4,094,327</u>	<u>491,968</u>
Net Change in Fund Balance	(302,888)	(371,488)	(49,636)	321,852
Fund Balance, Beginning of Year	<u>884,803</u>	<u>884,803</u>	<u>884,803</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 581,915</u>	<u>\$ 513,315</u>	<u>\$ 835,167</u>	<u>\$ 321,852</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Sheriff Programs For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 163,955	\$ 163,955	\$ 158,421	\$ (5,534)
Use of money and property	22,100	22,100	18,439	(3,661)
Intergovernmental revenues	712,202	712,202	835,091	122,889
Charges for services	55,000	55,000	87,071	32,071
Other revenues	1,250	1,250	61,540	60,290
Total Revenues	<u>954,507</u>	<u>954,507</u>	<u>1,160,562</u>	<u>206,055</u>
Expenditures				
Current:				
Public protection	1,685,214	1,614,178	1,042,486	571,692
Capital outlay	122,300	143,986	109,571	34,415
Total Expenditures	<u>1,807,514</u>	<u>1,758,164</u>	<u>1,152,057</u>	<u>606,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(853,007)</u>	<u>(803,657)</u>	<u>8,505</u>	<u>812,162</u>
Other Financing Sources (Uses)				
Transfers out	--	--	(650,000)	(650,000)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(650,000)</u>	<u>(650,000)</u>
Net Change in Fund Balance	<u>(853,007)</u>	<u>(803,657)</u>	<u>(641,495)</u>	<u>162,162</u>
Fund Balance, Beginning of Year	<u>3,698,058</u>	<u>3,698,058</u>	<u>3,698,058</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 2,845,051</u>	<u>\$ 2,894,401</u>	<u>\$ 3,056,563</u>	<u>\$ 162,162</u>

COUNTY OF LAKE

Budgetary Comparison Schedule District Attorney Programs For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 1,749	(1,251)
Use of money and property	150	150	293	143
Intergovernmental revenues	--	--	10,983	10,983
Charges for services	5,700	5,700	7,314	1,614
Other revenues	5,000	5,000	15,113	10,113
Total Revenues	<u>13,850</u>	<u>13,850</u>	<u>35,452</u>	<u>21,602</u>
Expenditures				
Current:				
Public protection	70,780	70,780	35,026	35,754
Total Expenditures	<u>70,780</u>	<u>70,780</u>	<u>35,026</u>	<u>35,754</u>
Net Change in Fund Balance	(56,930)	(56,930)	426	57,356
Fund Balance, Beginning of Year	<u>56,930</u>	<u>56,930</u>	<u>56,930</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 57,356</u>	<u>\$ 57,356</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Animal Control Spay/Neuter Programs For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 9,000	\$ 9,000	\$ 11,848	
Use of money and property	28,380	28,380	104,933	76,553
Other revenues	114,000	86,200	7,351	(78,849)
Total Revenues	<u>151,380</u>	<u>123,580</u>	<u>124,132</u>	<u>(2,296)</u>
Expenditures				
Current:				
Public protection	174,779	176,779	173,872	2,907
Total Expenditures	<u>174,779</u>	<u>176,779</u>	<u>173,872</u>	<u>2,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,399)</u>	<u>(53,199)</u>	<u>(49,740)</u>	<u>3,459</u>
Other Financing Sources (Uses)				
Transfers in	--	29,800	29,800	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>29,800</u>	<u>29,800</u>	<u>--</u>
Net Change in Fund Balance	(23,399)	(23,399)	(19,940)	3,459
Fund Balance, Beginning of Year	<u>23,399</u>	<u>23,399</u>	<u>23,399</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,459</u>	<u>\$ 3,459</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Health Programs For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 546,150	\$ 546,150	\$ 570,459	\$ 24,309
Fines and forfeitures	2,000	2,000	1,754	(246)
Use of money and property	300	300	1,287	987
Intergovernmental revenues	3,798,422	3,798,422	3,632,216	(166,206)
Charges for services	764,571	764,571	675,283	(89,288)
Other revenues	28,081	28,081	14,975	(13,106)
Total Revenues	<u>5,139,524</u>	<u>5,139,524</u>	<u>4,895,974</u>	<u>(243,550)</u>
Expenditures				
Current:				
Health and sanitation	5,326,851	5,340,842	4,872,855	467,987
Capital outlay	--	72,500	71,624	876
Total Expenditures	<u>5,326,851</u>	<u>5,413,342</u>	<u>4,944,479</u>	<u>468,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(187,327)</u>	<u>(273,818)</u>	<u>(48,505)</u>	<u>225,313</u>
Other Financing Sources (Uses)				
Transfers in	118,222	118,222	118,222	--
Total Other Financing Sources (Uses)	<u>118,222</u>	<u>118,222</u>	<u>118,222</u>	<u>--</u>
Net Change in Fund Balance	(69,105)	(155,596)	69,717	225,313
Fund Balance, Beginning of Year	<u>153,024</u>	<u>153,024</u>	<u>153,024</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 83,919</u>	<u>\$ (2,572)</u>	<u>\$ 222,741</u>	<u>\$ 225,313</u>

COUNTY OF LAKE

Budgetary Comparison Schedule IHSS Public Authority For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,861,850	\$ 1,861,850	\$ 1,385,441	\$ (476,409)
Other revenues	25,000	25,000	20,728	(4,272)
Total Revenues	<u>1,886,850</u>	<u>1,886,850</u>	<u>1,406,169</u>	<u>(480,681)</u>
Expenditures				
Current:				
Public assistance	1,861,850	1,861,850	1,385,441	476,409
Total Expenditures	<u>1,861,850</u>	<u>1,861,850</u>	<u>1,385,441</u>	<u>476,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>25,000</u>	<u>25,000</u>	<u>20,728</u>	<u>(4,272)</u>
Other Financing Sources (Uses)				
Transfers out	(25,000)	(25,000)	(20,728)	4,272
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(20,728)</u>	<u>4,272</u>
Net Change in Fund Balance	--	--	--	--
Fund Balance, Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Recorder Programs For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 11,500	\$ 11,500	\$ 8,261	\$ (3,239)
Charges for services	128,500	128,500	123,721	(4,779)
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>131,982</u>	<u>(8,018)</u>
Expenditures				
Current:				
Public protection	365,413	365,413	119,065	246,348
Total Expenditures	<u>365,413</u>	<u>365,413</u>	<u>119,065</u>	<u>246,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(225,413)</u>	<u>(225,413)</u>	<u>12,917</u>	<u>238,330</u>
Net Change in Fund Balance	<u>(225,413)</u>	<u>(225,413)</u>	<u>12,917</u>	<u>238,330</u>
Fund Balance, Beginning of Year	<u>1,627,665</u>	<u>1,627,665</u>	<u>1,627,665</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 1,402,252</u>	<u>\$ 1,402,252</u>	<u>\$ 1,640,582</u>	<u>\$ 238,330</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Air Quality District For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 458,000	\$ 458,000	\$ 469,913	\$ 11,913
Fines and forfeitures	25,050	25,050	33,467	8,417
Use of money and property	20,000	20,000	6,353	(13,647)
Intergovernmental revenues	572,500	572,500	107,523	(464,977)
Charges for services	6,300	6,300	3,879	(2,421)
Other revenues	3,100	3,100	4,418	1,318
Total Revenues	<u>1,084,950</u>	<u>1,084,950</u>	<u>625,553</u>	<u>(459,397)</u>
Expenditures				
Current:				
Public ways and facilities	1,120,590	1,120,455	495,712	624,743
Capital outlay	110,000	110,000	69,581	40,419
Total Expenditures	<u>1,230,590</u>	<u>1,230,455</u>	<u>565,293</u>	<u>665,162</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(145,640)</u>	<u>(145,505)</u>	<u>60,260</u>	<u>205,765</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	--	--	289	289
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>289</u>	<u>289</u>
Net Change in Fund Balance	(145,640)	(145,505)	60,549	206,054
Fund Balance, Beginning of Year	<u>1,055,902</u>	<u>1,055,902</u>	<u>1,055,902</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 910,262</u>	<u>\$ 910,397</u>	<u>\$ 1,116,451</u>	<u>\$ 206,054</u>

COUNTY OF LAKE

Budgetary Comparison Schedule CDBG Housing Programs For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 325	\$ 325	\$ 581	\$ 256
Intergovernmental revenues	--	--	76	76
Other revenues	65,550	65,550	18,615	(46,935)
Total Revenues	<u>65,875</u>	<u>65,875</u>	<u>19,272</u>	<u>(46,603)</u>
Expenditures				
Current:				
Public assistance	173,045	173,045	9,140	163,905
Total Expenditures	<u>173,045</u>	<u>173,045</u>	<u>9,140</u>	<u>163,905</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(107,170)</u>	<u>(107,170)</u>	<u>10,132</u>	<u>117,302</u>
Other Financing Sources (Uses)				
Transfers out	<u>(13,163)</u>	<u>(13,163)</u>	<u>(26,999)</u>	<u>(13,836)</u>
Net Change in Fund Balance	<u>(120,333)</u>	<u>(120,333)</u>	<u>(16,867)</u>	<u>103,466</u>
Fund Balance, Beginning of Year	<u>1,124,415</u>	<u>1,124,415</u>	<u>1,124,415</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 1,004,082</u>	<u>\$ 1,004,082</u>	<u>\$ 1,107,548</u>	<u>\$ 103,466</u>

Reconciliation of Net Changes in Fund Balance - Budgetary to GAAP Basis:

Net Change in Fund Balance - Budgetary Basis \$ (16,867)

The amount reported in the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balance was different because:

Advances to and other funds are offset to revenues for
for budgetary purposes, but are not revenues for
financial reporting purposes.

2,001

**Net Change in Fund Balance - Statement of Revenues,
Expenditures and Changes in Fund Balance** \$ (14,866)

Reconciliation of Fund Balance - Budgetary to GAAP Basis:

Fund Balance - Ending - Budgetary Basis \$ 1,107,548

Effect of reclassification of advances to and from other funds

2,001

Fund Balance - Ending - GAAP Basis \$ 1,109,549

COUNTY OF LAKE

Budgetary Comparison Schedule Child Support Services For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 4,000	\$ 4,000	\$ 2,995	\$ (1,005)
Intergovernmental revenues	2,638,737	2,638,737	2,169,081	(469,656)
Other revenues	--	--	1,641	1,641
Total Revenues	<u>2,642,737</u>	<u>2,642,737</u>	<u>2,173,717</u>	<u>(469,020)</u>
Expenditures				
Current:				
Public protection	2,696,045	2,696,045	2,104,040	592,005
Capital outlay	27,450	27,450	--	27,450
Total Expenditures	<u>2,723,495</u>	<u>2,723,495</u>	<u>2,104,040</u>	<u>619,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(80,758)</u>	<u>(80,758)</u>	<u>69,677</u>	<u>150,435</u>
Other Financing Sources (Uses)				
Transfers out	<u>(229,937)</u>	<u>(229,937)</u>	<u>(229,937)</u>	<u>--</u>
Net Change in Fund Balance	<u>(310,695)</u>	<u>(310,695)</u>	<u>(160,260)</u>	<u>150,435</u>
Fund Balance, Beginning of Year	<u>310,745</u>	<u>310,745</u>	<u>310,745</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 150,485</u>	<u>\$ 150,435</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Museum For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 225	\$ 225	\$ 167	\$ (58)
Other revenues	25	25	--	(25)
Total Revenues	<u>250</u>	<u>250</u>	<u>167</u>	<u>(83)</u>
Expenditures				
Current:				
Recreation and culture	31,536	31,536	4,829	26,707
Total Expenditures	<u>31,536</u>	<u>31,536</u>	<u>4,829</u>	<u>26,707</u>
Net Change in Fund Balance	(31,286)	(31,286)	(4,662)	26,624
Fund Balance, Beginning of Year	<u>31,286</u>	<u>31,286</u>	<u>31,286</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 26,624</u>	<u>\$ 26,624</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Library For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 739,540	\$ 739,540	\$ 758,589	\$ 19,049
Fines and forfeitures	11	11	7	(4)
Use of money and property	11,300	11,300	11,819	519
Intergovernmental revenues	93,217	58,985	44,404	(14,581)
Charges for services	22,000	22,000	23,308	1,308
Other revenues	36,000	21,000	28,494	7,494
Total Revenues	<u>902,068</u>	<u>852,836</u>	<u>866,621</u>	<u>13,785</u>
Expenditures				
Current:				
Education	968,048	908,548	1,039,936	(131,388)
Capital outlay	188,444	188,444	--	188,444
Total Expenditures	<u>1,156,492</u>	<u>1,096,992</u>	<u>1,039,936</u>	<u>57,056</u>
Net Change in Fund Balance	(254,424)	(244,156)	(173,315)	70,841
Fund Balance, Beginning of Year	<u>420,224</u>	<u>420,224</u>	<u>420,224</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 165,800</u>	<u>\$ 176,068</u>	<u>\$ 246,909</u>	<u>\$ 70,841</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Lakebed Management For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 17,000	\$ 17,000	\$ 16,710	\$ (290)
Use of money and property	1,000	1,000	519	(481)
Intergovernmental	2,000	2,000	--	(2,000)
Other revenues	160,000	160,000	161,333	1,333
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>178,562</u>	<u>(1,438)</u>
Expenditures				
Current:				
General government	179,827	179,827	141,450	38,377
Total Expenditures	<u>179,827</u>	<u>179,827</u>	<u>141,450</u>	<u>38,377</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>173</u>	<u>173</u>	<u>37,112</u>	<u>36,939</u>
Other Financing Sources (Uses)				
Transfers in	170,477	170,477	--	(170,477)
Transfers out	(170,477)	(170,477)	--	170,477
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	173	173	37,112	36,939
Fund Balance, Beginning of Year	<u>67,304</u>	<u>67,304</u>	<u>67,304</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 67,477</u>	<u>\$ 67,477</u>	<u>\$ 104,416</u>	<u>\$ 36,939</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Kelseyville Waterworks District For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 95,568	\$ 95,568	\$ 97,432	\$ 1,864
Fines and forfeitures	--	--	9	9
Use of money and property	5,850	5,850	4,963	(887)
Intergovernmental revenues	1,275	1,275	1,275	--
Charges for services	9,890	9,890	850,504	840,614
Other revenues	817,051	824,327	--	(824,327)
Total Revenues	<u>929,634</u>	<u>936,910</u>	<u>954,183</u>	<u>17,273</u>
Expenditures				
Current:				
Public ways and facilities	1,020,910	1,020,910	809,053	211,857
Capital outlay	194,982	194,982	161,100	33,882
Total Expenditures	<u>1,215,892</u>	<u>1,215,892</u>	<u>970,153</u>	<u>245,739</u>
Net Change in Fund Balance	(286,258)	(278,982)	(15,970)	263,012
Fund Balance, Beginning of Year	<u>866,199</u>	<u>866,199</u>	<u>866,199</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 579,941</u>	<u>\$ 587,217</u>	<u>\$ 850,229</u>	<u>\$ 263,012</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Behavioral Health For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	17,480	17,480	13,556	(3,924)
Use of money and property	21,020	21,020	24,528	3,508
Intergovernmental	13,247,072	13,063,435	9,667,075	(3,396,360)
Charges for services	591,800	623,948	354,345	(269,603)
Other revenues	(952,094)	(764,236)	62,873	827,109
Total Revenues	<u>12,925,278</u>	<u>12,961,647</u>	<u>10,122,377</u>	<u>(2,839,270)</u>
Expenditures				
Current:				
Health and sanitation	12,505,144	12,722,586	10,733,522	1,989,064
Capital outlay	520,000	521,628	107,276	414,352
Total Expenditures	<u>13,025,144</u>	<u>13,244,214</u>	<u>10,840,798</u>	<u>2,403,416</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(99,866)</u>	<u>(282,567)</u>	<u>(718,421)</u>	<u>(435,854)</u>
Other Financing Sources (Uses)				
Transfers in	61,112	61,112	61,112	--
Total Other Financing Sources (Uses)	<u>61,112</u>	<u>61,112</u>	<u>61,112</u>	<u>--</u>
Net Change in Fund Balance	<u>(38,754)</u>	<u>(221,455)</u>	<u>(657,309)</u>	<u>(435,854)</u>
Fund Balance, Beginning of Year	<u>4,331,372</u>	<u>4,331,372</u>	<u>4,331,372</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 4,292,618</u>	<u>\$ 4,109,917</u>	<u>\$ 3,674,063</u>	<u>\$ (435,854)</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Lake County Housing Commission For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Use of money and property	\$ 30	\$ 30	\$ 26	\$ (4)
Intergovernmental revenues	1,758,000	1,758,000	1,683,221	(74,779)
Charges for services	247,500	247,500	243,036	(4,464)
Other revenues	38,500	38,500	43,404	4,904
Total Revenues	<u>2,044,030</u>	<u>2,044,030</u>	<u>1,969,687</u>	<u>(74,343)</u>
Expenditures				
Current:				
Public assistance	2,036,400	2,036,400	1,958,492	77,908
Total Expenditures	<u>2,036,400</u>	<u>2,036,400</u>	<u>1,958,492</u>	<u>77,908</u>
Net Change in Fund Balance	7,630	7,630	11,195	3,565
Fund Balance, Beginning of Year	<u>1,236,693</u>	<u>1,236,693</u>	<u>1,236,693</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 1,244,323</u>	<u>\$ 1,244,323</u>	<u>\$ 1,247,888</u>	<u>\$ 3,565</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Watershed Protection Districts For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 553,903	\$ 553,903	\$ 581,997	\$ 28,094
Licenses and permits	55,500	55,500	44,109	(11,391)
Fines and forfeitures	1,522	1,522	2,145	623
Use of money and property	23,058	23,058	15,259	(7,799)
Intergovernmental revenues	608,132	608,132	909,754	301,622
Charges for services	650,191	650,191	634,034	(16,157)
Other revenues	5,650	310,650	7,532	(303,118)
Total Revenues	<u>1,897,956</u>	<u>2,202,956</u>	<u>2,194,830</u>	<u>(8,126)</u>
Expenditures				
Current:				
Public protection	1,754,995	1,831,205	1,318,837	512,368
Capital outlay	400,000	705,000	606,959	98,041
Total Expenditures	<u>2,154,995</u>	<u>2,536,205</u>	<u>1,925,796</u>	<u>610,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(257,039)</u>	<u>(333,249)</u>	<u>269,034</u>	<u>602,283</u>
Other Financing Sources (Uses)				
Transfers in	13,700	13,700	--	(13,700)
Transfers out	(13,700)	(13,700)	--	13,700
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>(257,039)</u>	<u>(333,249)</u>	<u>269,034</u>	<u>602,283</u>
Fund Balance, Beginning of Year	<u>1,741,942</u>	<u>1,741,942</u>	<u>1,741,942</u>	<u>--</u>
Fund Balance, End of Year	<u><u>\$ 1,484,903</u></u>	<u><u>\$ 1,408,693</u></u>	<u><u>\$ 2,010,976</u></u>	<u><u>\$ 602,283</u></u>

COUNTY OF LAKE

Budgetary Comparison Schedule County Service Areas For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 246,303	\$ 246,303	\$ 244,821	\$ (1,482)
Fines and forfeitures	14,433	14,433	5,072	(9,361)
Use of money and property	28,389	28,389	21,576	(6,813)
Intergovernmental revenues	360,614	860,614	657,682	(202,932)
Charges for services	282,107	282,107	2,195,474	1,913,367
Other revenues	2,041,599	2,113,473	340	(2,113,133)
Total Revenues	<u>2,973,445</u>	<u>3,545,319</u>	<u>3,124,965</u>	<u>(420,354)</u>
Expenditures				
Current:				
Public protection	--	--	437	(437)
Public ways and facilities	3,162,688	3,198,900	2,454,290	744,610
Capital outlay	<u>770,000</u>	<u>1,354,180</u>	<u>708,578</u>	<u>645,602</u>
Total Expenditures	<u>3,932,688</u>	<u>4,553,080</u>	<u>3,163,305</u>	<u>1,389,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(959,243)</u>	<u>(1,007,761)</u>	<u>(38,340)</u>	<u>969,421</u>
Other Financing Sources (Uses)				
Transfers in	297,000	297,000	297,000	--
Transfers out	--	--	(48,271)	(48,271)
Total Other Financing Sources (Uses)	<u>297,000</u>	<u>297,000</u>	<u>248,729</u>	<u>(48,271)</u>
Net Change in Fund Balance	(662,243)	(710,761)	210,389	921,150
Fund Balance, Beginning of Year	<u>3,272,246</u>	<u>3,272,246</u>	<u>3,272,246</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 2,610,003</u>	<u>\$ 2,561,485</u>	<u>\$ 3,482,635</u>	<u>\$ 921,150</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Lighting Districts For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes and assessments	\$ 77,639	\$ 77,639	\$ 84,142	\$ 6,503
Fines and forfeitures	145	145	242	97
Use of money and property	2,993	2,993	2,186	(807)
Intergovernmental revenues	1,305	1,305	1,255	(50)
Charges for services	2,680	2,680	2,689	9
Total Revenues	<u>84,762</u>	<u>84,762</u>	<u>90,514</u>	<u>5,752</u>
Expenditures				
Current:				
Public ways and facilities	90,382	93,882	82,839	11,043
Total Expenditures	<u>90,382</u>	<u>93,882</u>	<u>82,839</u>	<u>11,043</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,620)</u>	<u>(9,120)</u>	<u>7,675</u>	<u>16,795</u>
Net Change in Fund Balance	<u>(5,620)</u>	<u>(9,120)</u>	<u>7,675</u>	<u>16,795</u>
Fund Balance, Beginning of Year	<u>418,017</u>	<u>418,017</u>	<u>418,017</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 412,397</u>	<u>\$ 408,897</u>	<u>\$ 425,692</u>	<u>\$ 16,795</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Sheriff Motor Pool For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 170,000	\$ 170,000	\$ 243,452	\$ 73,452
Other revenues	--	--	3,790	3,790
Total Revenues	<u>170,000</u>	<u>170,000</u>	<u>247,242</u>	<u>77,242</u>
Expenditures				
Current:				
Capital outlay	463,978	463,978	342,103	121,875
Total Expenditures	<u>463,978</u>	<u>463,978</u>	<u>342,103</u>	<u>121,875</u>
Net Change in Fund Balance	(293,978)	(293,978)	(94,861)	199,117
Fund Balance, Beginning of Year	<u>1,899,710</u>	<u>1,899,710</u>	<u>1,899,710</u>	--
Fund Balance, End of Year	<u>\$ 1,605,732</u>	<u>\$ 1,605,732</u>	<u>\$ 1,804,849</u>	<u>\$ 199,117</u>

COUNTY OF LAKE

Budgetary Comparison Schedule Sanitation Districts For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 45,900	\$ 45,900	\$ 78,311	\$ 32,411
Use of money and property	24,999	24,999	22,260	(2,739)
Intergovernmental revenues	59,000	245,655	245,656	1
Charges for services	6,476,047	6,531,662	6,164,323	(367,339)
Other revenues	40,875	40,875	33,777	(7,098)
Total Revenues	<u>6,646,821</u>	<u>6,889,091</u>	<u>6,544,327</u>	<u>(344,764)</u>
Expenditures				
Current:				
Health and sanitation	6,806,301	6,865,332	5,213,196	1,652,136
Capital outlay	484,618	1,006,796	473,865	532,931
Total Expenditures	<u>7,290,919</u>	<u>7,872,128</u>	<u>5,687,061</u>	<u>2,185,067</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(644,098)</u>	<u>(983,037)</u>	<u>857,266</u>	<u>1,840,303</u>
Net Change in Fund Balance	<u>(644,098)</u>	<u>(983,037)</u>	<u>857,266</u>	<u>1,840,303</u>
Fund Balance, Beginning of Year	<u>3,904,845</u>	<u>3,904,845</u>	<u>3,904,845</u>	<u>--</u>
Fund Balance, End of Year	<u>\$ 3,260,747</u>	<u>\$ 2,921,808</u>	<u>\$ 4,762,111</u>	<u>\$ 1,840,303</u>

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NONMAJOR GOVERNMENTAL FUNDS
Debt Service Funds

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**COUNTY OF LAKE, CALIFORNIA
NONMAJOR DEBT SERVICE FUNDS**

Debt Service Funds are used to account for accumulation of resources for, and payment of, principal and interest on the County's general long-term debt. Nonmajor debt service funds of the County are listed below:

- **SANITATION IMPROVEMENT DISTRICTS**
to account for the accumulation of resources and payment of principal and interest for debt of sanitation improvement districts.
- **LACOSAN ASSESSMENT DISTRICTS**
to account for the accumulation of resources and payment of principal and interest for debt of LACOSAN assessment districts.
- **COUNTY SERVICE AREA IMPROVEMENT DISTRICTS**
to account for the accumulation of resources and payment of principal and interest for debt of County service area improvement districts.
- **USDA RUS LOANS**
to account for the accumulation of resources and payment of principal and interest for debt of the Kelseyville and Finley districts.
- **GEYSERS PIPELINE**
to account for the accumulation of resources and payment to principal and interest for the Geysers Pipeline project.

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COUNTY OF LAKE

Combining Balance Sheet Nonmajor Debt Service Funds June 30, 2014

	Sanitation Improvement Districts	LACOSAN Assessment Districts	County Service Area Improvement Districts	USDA RUS Loans	Geyser Pipeline	Total
Assets						
Cash and investments	\$ 100,012	\$ 1,681,322	\$ 1,173,266	\$ 1,259,945	\$ 3,887,446	\$ 8,101,991
Total Assets	<u>\$ 100,012</u>	<u>\$ 1,681,322</u>	<u>\$ 1,173,266</u>	<u>\$ 1,259,945</u>	<u>\$ 3,887,446</u>	<u>\$ 8,101,991</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:						
Restricted	100,012	1,681,322	1,173,266	1,259,945	3,887,446	8,101,991
Total Fund Balances	<u>100,012</u>	<u>1,681,322</u>	<u>1,173,266</u>	<u>1,259,945</u>	<u>3,887,446</u>	<u>8,101,991</u>
Total Liabilities and Fund Balances	<u>\$ 100,012</u>	<u>\$ 1,681,322</u>	<u>\$ 1,173,266</u>	<u>\$ 1,259,945</u>	<u>\$ 3,887,446</u>	<u>\$ 8,101,991</u>

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Debt Service Funds For the Year Ended June 30, 2014

	Sanitation Improvement Districts	LACOSAN Assessment Districts	County Service Area Improvement Districts	USDA RUS Loans	Geyser Pipeline	Total
Revenues						
Taxes	\$ 68,281	\$ --	\$ 36	\$ --	\$ --	\$ 68,317
Fines, forfeitures and penalties	5,976	767,438	11,522	--	--	784,936
Use of money and property	414	4,665	5,688	6,450	21,810	39,027
Charges for services	--	364,469	524,056	299,650	1,039,432	2,227,607
Total Revenues	<u>74,671</u>	<u>1,136,572</u>	<u>541,302</u>	<u>306,100</u>	<u>1,061,242</u>	<u>\$ 3,119,887</u>
Expenditures						
Debt Service:						
Principal	69,000	137,000	461,125	103,074	832,279	1,602,478
Interest	5,875	249,006	92,996	122,470	177,765	648,112
Total Expenditures	<u>74,875</u>	<u>386,006</u>	<u>554,121</u>	<u>225,544</u>	<u>1,010,044</u>	<u>2,250,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(204)</u>	<u>750,566</u>	<u>(12,819)</u>	<u>80,556</u>	<u>51,198</u>	<u>869,297</u>
Other Financing Sources (Uses)						
Transfers in	--	--	28,824	--	--	28,824
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>28,824</u>	<u>--</u>	<u>--</u>	<u>28,824</u>
Net Change in Fund Balances	(204)	750,566	16,005	80,556	51,198	898,121
Fund Balances, Beginning of Year	<u>100,216</u>	<u>930,756</u>	<u>1,157,261</u>	<u>1,179,389</u>	<u>3,836,248</u>	<u>7,203,870</u>
Fund Balances, End of Year	<u>\$ 100,012</u>	<u>\$ 1,681,322</u>	<u>\$ 1,173,266</u>	<u>\$ 1,259,945</u>	<u>\$ 3,887,446</u>	<u>\$ 8,101,991</u>

NONMAJOR GOVERNMENTAL FUNDS
Capital Projects Funds

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**COUNTY OF LAKE, CALIFORNIA
NONMAJOR CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed by the proprietary fund types. Nonmajor capital projects funds are listed below:

- **CAPITAL PROJECTS – CDBG**
to account for CDBG projects.
- **GEYSER'S PIPELINE**
to account for the Geyser pipeline construction.
- **ROAD IMPROVEMENT PROJECTS**
to account for road project costs.
- **SPECIAL PROJECTS**
to account for special projects.
- **ANIMAL CONTROL**
to account for animal control activities.
- **LAMPSON AIRPORT CAPITAL PROJECTS**
to account for capital projects at Lampson Airport.

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COUNTY OF LAKE

Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2014

	Public Safety Facilities	Capital Projects - CDBG	Geyser's Pipeline	Road Impr Projects	Special Projects	Animal Control	Lampson Airport Capital Projects -	Total
Assets								
Cash and investments	\$650,000	\$ --	\$ 545,120	\$ 377,226	\$ 52,380	\$ 14,827	\$ 38,349	\$1,677,902
Cash with fiscal agents	--	--	--	--	77,849	--	--	77,849
Accounts receivable	--	--	--	--	24,303	--	21,560	45,863
Total Assets	<u>\$650,000</u>	<u>\$ --</u>	<u>\$ 545,120</u>	<u>\$ 377,226</u>	<u>\$ 154,532</u>	<u>\$ 14,827</u>	<u>\$ 59,909</u>	<u>\$1,801,614</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 79,300	\$ --	\$ 6,650	\$ 85,950
Unearned revenues	--	--	545,120	377,226	--	--	--	922,346
Total Liabilities	<u>--</u>	<u>--</u>	<u>545,120</u>	<u>377,226</u>	<u>79,300</u>	<u>--</u>	<u>6,650</u>	<u>1,008,296</u>
Fund Balances:								
Restricted	--	--	--	--	--	14,827	53,259	68,086
Assigned	650,000	--	--	--	75,232	--	--	725,232
Total Fund Balances	<u>650,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>75,232</u>	<u>14,827</u>	<u>53,259</u>	<u>793,318</u>
Total Liabilities and Fund Balances	<u>\$650,000</u>	<u>\$ --</u>	<u>\$ 545,120</u>	<u>\$ 377,226</u>	<u>\$ 154,532</u>	<u>\$ 14,827</u>	<u>\$ 59,909</u>	<u>\$1,801,614</u>

COUNTY OF LAKE

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2014

	Public Safety Facilities	Capital Projects - CDBG	Geyser's Pipeline	Road Impr Projects	Special Projects	Animal Control	Lampson Airport Capital Projects -	Total
Revenues								
Use of money and property	\$ --	\$ --	\$ --	\$ 122	\$ --	\$ --	\$ 274	\$ 396
Intergovernmental	--	8,366	--	60,309	50,000	--	110,368	229,043
Charges for services	--	--	--	--	--	--	--	-
Other revenues	--	--	--	--	24,303	2,185	4,050	30,538
Total Revenues	<u>--</u>	<u>8,366</u>	<u>--</u>	<u>60,431</u>	<u>74,303</u>	<u>2,185</u>	<u>114,692</u>	<u>259,977</u>
Expenditures								
Current:								
General government	--	--	--	--	80,372	--	--	80,372
Public protection	--	--	--	--	--	6,900	--	6,900
Public assistance	--	8,366	--	--	--	--	--	8,366
Public ways and facilities	--	--	--	56,465	--	--	--	56,465
Capital outlay	--	--	--	--	1,660,691	--	127,582	1,788,273
Total Expenditures	<u>--</u>	<u>8,366</u>	<u>--</u>	<u>56,465</u>	<u>1,741,063</u>	<u>6,900</u>	<u>127,582</u>	<u>1,940,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,966</u>	<u>(1,666,760)</u>	<u>(4,715)</u>	<u>(12,890)</u>	<u>(1,680,399)</u>
Other Financing Sources (Uses)								
Transfers in	650,000	--	--	--	307,883	--	27,437	985,320
Transfers out	--	--	--	(3,966)	--	--	--	(3,966)
Total Other Financing Sources (Uses)	<u>650,000</u>	<u>--</u>	<u>--</u>	<u>(3,966)</u>	<u>307,883</u>	<u>--</u>	<u>27,437</u>	<u>981,354</u>
Net Change in Fund Balances	<u>650,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,358,877)</u>	<u>(4,715)</u>	<u>14,547</u>	<u>(699,045)</u>
Fund Balances, Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,434,109</u>	<u>19,542</u>	<u>38,712</u>	<u>1,492,363</u>
Fund Balances, End of Year	<u>\$ 650,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 75,232</u>	<u>\$ 14,827</u>	<u>\$ 53,259</u>	<u>\$ 793,318</u>

INTERNAL SERVICE FUNDS

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**COUNTY OF LAKE, CALIFORNIA
INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. Internal service funds used at the County are listed below:

- **UNEMPLOYMENT INSURANCE**
to account for the operations of the County unemployment self insurance program.
- **PUBLIC LIABILITY INSURANCE**
to account for the operations of the County liability insurance program.
- **WORKERS' COMPENSATION INSURANCE**
to account for the operation of the County workers' compensation insurance program.
- **SELF FUNDED DENTAL/VISION**
to account for the operations of the County self funded dental and vision plans.
- **HEAVY EQUIPMENT RENTAL**
to account for the cost of heavy equipment maintenance and operations usage and to accumulate funds for the future replacement of heavy equipment.
- **FLEET MAINTENANCE**
to account for the cost of general services fleet operations and maintenance.
- **CENTRAL GARAGE**
to account for the cost of fleet repairs.

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COUNTY OF LAKE

Combining Statement of Net Position Internal Service Funds June 30, 2014

	Risk Management			
	Unemployment Insurance	Public Liability Insurance	Workers' Compensation Insurance	Self Funded Dental/ Vision
Assets				
Current Assets:				
Cash and investments	\$ 662,756	\$ 735,023	\$ 285,694	\$ 134,127
Inventory	--	--	--	--
Total Current Assets	<u>662,756</u>	<u>735,023</u>	<u>285,694</u>	<u>134,127</u>
Noncurrent Assets:				
Capital assets				
Nondepreciable	--	--	--	--
Depreciable, net	--	--	--	--
Total Noncurrent Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>662,756</u>	<u>735,023</u>	<u>285,694</u>	<u>134,127</u>
Liabilities				
Current Liabilities:				
Accounts payable	--	--	--	--
Salaries and benefits payable	--	--	--	--
Compensated absences payable	--	--	--	--
Total Current Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Noncurrent Liabilities:				
Compensated absences payable	--	--	--	--
Net OPEB obligation	--	--	--	--
Estimated claims liability	196,271	510,000	--	--
Total Noncurrent Liabilities	<u>196,271</u>	<u>510,000</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>196,271</u>	<u>510,000</u>	<u>--</u>	<u>--</u>
Net Position				
Net investment in capital assets	--	--	--	--
Unrestricted	466,485	225,023	285,694	134,127
Total Net Position	<u>\$ 466,485</u>	<u>\$ 225,023</u>	<u>\$ 285,694</u>	<u>\$ 134,127</u>

continued

COUNTY OF LAKE

Combining Statement of Net Position (continued) Internal Service Funds June 30, 2014

	Heavy Equipment Rental	Fleet Maintenance	Central Garage	Totals
Assets				
Current Assets:				
Cash and investments	\$ 544,801	\$ 93,914	\$ 787,671	\$ 3,243,986
Inventory	13,833	--	734	14,567
Total Current Assets	<u>558,634</u>	<u>93,914</u>	<u>788,405</u>	<u>3,258,553</u>
Noncurrent Assets:				
Capital assets				
Nondepreciable	--	--	48,233	48,233
Depreciable, net	743,430	--	210,093	953,523
Total Noncurrent Assets	<u>743,430</u>	<u>--</u>	<u>258,326</u>	<u>1,001,756</u>
Total Assets	<u>1,302,064</u>	<u>93,914</u>	<u>1,046,731</u>	<u>4,260,309</u>
Liabilities				
Current Liabilities:				
Accounts payable	7,885	451	64,747	73,083
Salaries and benefits payable	--	32,779	--	32,779
Compensated absences payable	--	2,970	--	2,970
Total Current Liabilities	<u>7,885</u>	<u>36,200</u>	<u>64,747</u>	<u>108,832</u>
Noncurrent Liabilities:				
Compensated absences payable	--	22,009	--	22,009
Net OPEB obligation	--	27,565	--	27,565
Estimated claims liability	--	--	--	706,271
Total Noncurrent Liabilities	<u>--</u>	<u>49,574</u>	<u>--</u>	<u>755,845</u>
Total Liabilities	<u>7,885</u>	<u>85,774</u>	<u>64,747</u>	<u>864,677</u>
Net Position				
Net investment in capital assets	743,430	--	258,326	1,001,756
Unrestricted	<u>550,749</u>	<u>8,140</u>	<u>723,658</u>	<u>2,393,876</u>
Total Net Position	<u>\$ 1,294,179</u>	<u>\$ 8,140</u>	<u>\$ 981,984</u>	<u>\$ 3,395,632</u>

COUNTY OF LAKE

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended June 30, 2014

	Risk Management			
	Unemployment Insurance	Public Liability Insurance	Workers' Compensation Insurance	Self Funded Dental/ Vision
Operating Revenues				
Charges for services	\$ 445,981	\$ 800,000	\$ 2,014,513	\$ --
Rents and concessions	--	--	--	--
Other revenue	--	--	--	--
Total Operating Revenues	<u>445,981</u>	<u>800,000</u>	<u>2,014,513</u>	<u>--</u>
Operating Expenses				
Salaries and benefits	--	--	--	--
Services and supplies	23,530	178,051	108,597	--
Maintenance	--	--	--	--
Claims/liability adjustments	226,956	636,437	2,356,092	--
Depreciation	--	--	--	--
Total Operating Expenses	<u>250,486</u>	<u>814,488</u>	<u>2,464,689</u>	<u>--</u>
Operating Income (Loss)	<u>195,495</u>	<u>(14,488)</u>	<u>(450,176)</u>	<u>--</u>
Non-Operating Revenues and Expenses				
Interest income	3,417	4,775	2,714	714
Gain (loss) on sale of capital assets	--	--	--	--
Total Non-Operating Revenues and Expenses	<u>3,417</u>	<u>4,775</u>	<u>2,714</u>	<u>714</u>
Change in Net Position	198,912	(9,713)	(447,462)	714
Net Position, Beginning of Year	<u>267,573</u>	<u>234,736</u>	<u>733,156</u>	<u>133,413</u>
Net Position, End of Year	<u>\$ 466,485</u>	<u>\$ 225,023</u>	<u>\$ 285,694</u>	<u>\$ 134,127</u>

continued

COUNTY OF LAKE

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (continued) Internal Service Funds For the Year Ended June 30, 2014

	Heavy Equipment Rental	Fleet Maintenance	Central Garage	Total
Operating Revenues				
Charges for services	\$ --	\$ 493,964	\$ 415,337	\$ 4,169,795
Rents and concessions	953,124	--	--	953,124
Other revenue	10,424	32	317	10,773
Total Operating Revenues	<u>963,548</u>	<u>493,996</u>	<u>415,654</u>	<u>5,133,692</u>
Operating Expenses				
Salaries and benefits	--	354,080	--	354,080
Services and supplies	598,575	61,909	359,660	1,330,322
Maintenance	150,208	--	--	150,208
Claims/liability adjustments	--	--	--	3,219,485
Depreciation	241,992	--	65,436	307,428
Total Operating Expenses	<u>990,775</u>	<u>415,989</u>	<u>425,096</u>	<u>5,361,523</u>
Operating Income (Loss)	<u>(27,227)</u>	<u>78,007</u>	<u>(9,442)</u>	<u>(227,831)</u>
Non-Operating Revenues and Expenses				
Interest income	--	--	4,201	15,821
Gain (loss) on sale of capital assets	--	--	1,300	1,300
Total Non-Operating Revenues and Expenses	<u>--</u>	<u>--</u>	<u>5,501</u>	<u>17,121</u>
Change in Net Position	<u>(27,227)</u>	<u>78,007</u>	<u>(3,941)</u>	<u>(210,710)</u>
Net Position, Beginning of Year	<u>1,321,406</u>	<u>(69,867)</u>	<u>985,925</u>	<u>3,606,342</u>
Net Position, End of Year	<u>\$ 1,294,179</u>	<u>\$ 8,140</u>	<u>\$ 981,984</u>	<u>\$ 3,395,632</u>

COUNTY OF LAKE

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Risk Management			
	Unemployment Insurance	Public Liability Insurance	Workers' Compensation Insurance	Self Funded Dental/ Vision
Cash Flows from Operating Activities:				
Receipts from customers	\$ 445,981	\$ 800,000	\$ 2,014,513	\$ --
Payments to suppliers	(210,882)	(955,478)	(2,464,689)	--
Payments to employees	--	--	--	--
Net Cash Provided (Used) by Operating Activities	<u>235,099</u>	<u>(155,478)</u>	<u>(450,176)</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of capital assets	--	--	--	--
Proceeds from sale of capital assets	--	--	--	--
Net Cash Provided (Used) by Capital Related Financing Activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Cash Flows from Investing Activities:				
Interest and dividends	<u>3,417</u>	<u>4,775</u>	<u>2,714</u>	<u>714</u>
Net Cash Provided (Used) by Investing Activities	<u>3,417</u>	<u>4,775</u>	<u>2,714</u>	<u>714</u>
Net Increase (Decrease) in Cash and Cash Equivalents	238,516	(150,703)	(447,462)	714
Balances - Beginning of Year	<u>424,240</u>	<u>885,726</u>	<u>733,156</u>	<u>133,413</u>
Balances - End of Year	<u><u>\$ 662,756</u></u>	<u><u>\$ 735,023</u></u>	<u><u>\$ 285,694</u></u>	<u><u>\$ 134,127</u></u>

continued

COUNTY OF LAKE

Combining Statement of Cash Flows (continued) Internal Service Funds For the Year Ended June 30, 2014

	Heavy Equipment Rental	Fleet Maintenance	Central Garage	Totals
Cash Flows from Operating Activities:				
Receipts from customers	\$ 963,548	\$ 493,996	\$ 415,654	\$ 5,133,692
Payments to suppliers	(725,286)	(61,458)	(403,695)	(4,821,488)
Payments to employees	--	(342,891)	--	(342,891)
Net Cash Provided (Used) by Operating Activities	<u>238,262</u>	<u>89,647</u>	<u>11,959</u>	<u>(30,687)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchases of capital assets	(384,952)	--	(75,845)	(460,797)
Proceeds from sale of capital assets	--	--	1,300	1,300
Net Cash Provided (Used) by Capital Related Financing Activities	<u>(384,952)</u>	<u>--</u>	<u>(74,545)</u>	<u>(459,497)</u>
Cash Flows from Investing Activities:				
Interest and dividends	--	--	4,201	15,821
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>--</u>	<u>4,201</u>	<u>15,821</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(146,690)	89,647	(58,385)	(474,363)
Balances - Beginning of Year	<u>691,491</u>	<u>4,267</u>	<u>846,056</u>	<u>3,718,349</u>
Balances - End of Year	<u><u>\$ 544,801</u></u>	<u><u>\$ 93,914</u></u>	<u><u>\$ 787,671</u></u>	<u><u>\$ 3,243,986</u></u>

continued

COUNTY OF LAKE

Combining Statement of Cash Flows (continued) Internal Service Funds For the Year Ended June 30, 2014

	Risk Management			
	Unemployment Insurance	Public Liability Insurance	Workers' Compensation Insurance	Self Funded Dental/ Vision
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 195,495	\$ (14,488)	\$ (450,176)	\$ --
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	--	--	--	--
Decrease (increase) in:				
Inventory	--	--	--	--
Increase (decrease) in:				
Accounts payable	--	(110,990)	--	--
Salaries and benefits payable	--	--	--	--
Compensated absences payable	--	--	--	--
OPEB obligation	--	--	--	--
Estimated claims liability	39,604	(30,000)	--	--
Net Cash Provided (Used) by Operating Activities	<u>\$ 235,099</u>	<u>\$ (155,478)</u>	<u>\$ (450,176)</u>	<u>\$ --</u>

continued

COUNTY OF LAKE

Combining Statement of Cash Flows (continued) Internal Service Funds For the Year Ended June 30, 2014

	Heavy Equipment Rental	Fleet Maintenance	Central Garage	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (27,227)	\$ 78,007	\$ (9,442)	\$ (227,831)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	241,992	--	65,436	307,428
Decrease (increase) in:				
Inventory	18,567		110	18,677
Increase (decrease) in:				
Accounts payable	4,930	451	(44,145)	(149,754)
Salaries and benefits payable	--	1,383	--	1,383
Compensated absences payable	--	4,281	--	4,281
OPEB obligation	--	5,525	--	5,525
Estimated claims liability	--	--	--	9,604
Net Cash Provided (Used) by Operating Activities	<u>\$ 238,262</u>	<u>\$ 89,647</u>	<u>\$ 11,959</u>	<u>\$ (30,687)</u>

TRUST AND AGENCY FUNDS

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COUNTY OF LAKE

Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2014

	Special Districts Governed by Local Boards	School Districts	Total Investment Trust Funds
Assets			
Cash and investments	\$ 12,618,964	\$ 27,195,452	\$ 39,814,416
Total Assets	<u>12,618,964</u>	<u>27,195,452</u>	<u>39,814,416</u>
Net Position			
Held in trust	<u>\$ 12,618,964</u>	<u>\$ 27,195,452</u>	<u>\$ 39,814,416</u>

COUNTY OF LAKE

Combining Statement of Changes in Fiduciary Net Position Investment Trust Funds For the Year Ended June 30, 2014

	Special Districts Governed by Local Boards	School Districts	Total Investment Trust Funds
Additions			
Contributions from participants	\$ 6,755,925	\$ 99,778,599	\$ 106,534,524
Interest and investment income	63,747	172,724	236,471
Total Additions	<u>6,819,672</u>	<u>99,951,323</u>	<u>106,770,995</u>
Deductions			
Distributions to participants	6,037,064	101,554,722	107,591,786
Total Deductions	<u>6,037,064</u>	<u>101,554,722</u>	<u>107,591,786</u>
Change in Net Position	782,609	(1,603,400)	(820,791)
Net Position, Beginning of Year	<u>11,836,355</u>	<u>28,798,852</u>	<u>40,635,207</u>
Net Position, End of Year	<u>\$ 12,618,964</u>	<u>\$ 27,195,452</u>	<u>\$ 39,814,416</u>

COUNTY OF LAKE

Combining Statement of Assets and Liabilities Agency Funds June 30, 2014

	County Departmental	Unapportioned Taxes	Unapportioned Interest	Total
Assets				
Cash and investments	\$ 6,791,111	\$ 2,615,577	\$ 154,427	\$ 9,561,115
Taxes and assessments receivable	--	9,974,505		9,974,505
Advances to other funds	18,421	--	--	18,421
Total Assets	<u>\$ 6,809,532</u>	<u>\$ 12,590,082</u>	<u>\$ 154,427</u>	<u>\$ 19,554,041</u>
Liabilities				
Fiduciary liabilities	\$ 6,809,532	\$ 12,590,082	\$ 154,427	\$ 19,554,041
Total Liabilities	<u>\$ 6,809,532</u>	<u>\$ 12,590,082</u>	<u>\$ 154,427</u>	<u>\$ 19,554,041</u>

COUNTY OF LAKE

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Year Ended June 30, 2014

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
County Departmental				
ASSETS				
Cash and investments	\$ 6,252,606	\$ 49,464,207	\$ 48,925,702	\$ 6,791,111
Advance to other funds	67,961	--	49,540	18,421
Total Assets	\$ 6,320,567	\$ 49,464,207	\$ 48,975,242	\$ 6,809,532
LIABILITIES				
Agency fund obligations	\$ 6,320,567	\$ 488,965	\$ -	\$ 6,809,532
Total Liabilities	\$ 6,320,567	\$ 488,965	\$ -	\$ 6,809,532
Unapportioned Taxes				
ASSETS				
Cash and investments	\$ 2,336,774	\$ 201,988,341	\$ 201,709,538	\$ 2,615,577
Taxes receivable	10,350,515	93,568,143	93,944,153	9,974,505
Total Assets	\$ 12,687,289	\$ 295,556,484	\$ 295,653,691	\$ 12,590,082
LIABILITIES				
Agency fund obligations	\$ 12,687,289	\$ -	\$ 97,207	\$ 12,590,082
Total Liabilities	\$ 12,687,289	\$ -	\$ 97,207	\$ 12,590,082
Unapportioned Interest				
ASSETS				
Cash and investments	\$ 195,701	\$ 154,427	\$ 195,701	\$ 154,427
Total Assets	\$ 195,701	\$ 154,427	\$ 195,701	\$ 154,427
LIABILITIES				
Agency fund obligations	\$ 195,701	\$ 154,427	\$ 195,701	\$ 154,427
Total Liabilities	\$ 195,701	\$ 154,427	\$ 195,701	\$ 154,427
Total Agency Funds				
ASSETS				
Cash and investments	\$ 8,785,081	\$ 251,606,975	\$ 250,830,941	\$ 9,561,115
Taxes receivable	10,350,515	93,568,143	93,944,153	9,974,505
Advance to other funds	67,961	--	49,540	18,421
Total Assets	\$ 19,203,557	\$ 345,175,118	\$ 344,824,634	\$ 19,554,041
LIABILITIES				
Agency fund obligations	19,203,557	643,392	292,908	19,554,041
Total Liabilities	\$ 19,203,557	\$ 643,392	\$ 292,908	\$ 19,554,041

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COUNTY OF LAKE, CALIFORNIA STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

- **Financial Trends**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

- **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

- **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

- **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

- **Operating Information**

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

COUNTY OF LAKE

Government-wide Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2004-2005	2005-2006	2006-2007	2007-2008
Governmental activities				
Net investment in capital assets ¹	\$ 115,211,416	\$ 114,680,969	\$ 115,150,670	\$ 120,244,745
Restricted	4,530,087	36,771,706	43,103,393	44,988,334
Unrestricted	52,835,550	25,069,031	22,244,523	26,111,442
Total governmental activities net position	<u>\$ 172,577,053</u>	<u>\$ 176,521,706</u>	<u>\$ 180,498,586</u>	<u>\$ 191,344,521</u>
Business-type activities				
Net investment in capital assets	\$ 6,121,764	\$ 6,144,573	\$ 5,835,973	\$ 5,507,681
Restricted	2,650,845	3,561,534	3,761,534	3,761,534
Unrestricted	1,809,323	803,656	311,985	(346,376)
Total business-type activities net position	<u>\$ 10,581,932</u>	<u>\$ 10,509,763</u>	<u>\$ 9,909,492</u>	<u>\$ 8,922,839</u>
Primary government				
Net investment in capital assets	\$ 121,333,180	\$ 120,825,542	\$ 120,986,643	\$ 125,752,426
Restricted	7,180,932	40,333,240	46,864,927	48,749,868
Unrestricted	54,644,873	25,872,687	22,556,508	25,765,066
Total primary government net position ²	<u>\$ 183,158,985</u>	<u>\$ 187,031,469</u>	<u>\$ 190,408,078</u>	<u>\$ 200,267,360</u>
Percent of increase (decrease) in primary government net position	1.68%	2.11%	1.81%	5.18%

Notes:

¹ Capital assets include land, easements, infrastructure, construction in progress, structures and improvements, and equipment

² Accounting standards require that net position be reported in three components in the government-wide financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

Fiscal Year					
2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
\$ 123,233,208	\$ 127,764,406	\$ 129,759,766	\$ 127,708,334	\$ 132,157,699	\$ 139,735,646
37,737,244	34,348,436	41,329,661	43,606,529	46,229,210	58,774,579
30,706,166	28,232,351	29,428,896	30,017,634	34,954,306	22,045,340
<u>\$ 191,676,618</u>	<u>\$ 190,345,193</u>	<u>\$ 200,518,323</u>	<u>\$ 201,332,497</u>	<u>\$ 213,341,215</u>	<u>\$ 220,555,565</u>
\$ 5,224,410	\$ 5,290,950	\$ 4,955,759	\$ 4,820,394	\$ 4,515,458	\$ 5,461,380
4,377,906	4,648,601	4,601,544	-	--	--
(1,586,849)	(2,800,818)	(3,246,244)	1,361,889	1,910,311	1,308,741
<u>\$ 8,015,467</u>	<u>\$ 7,138,733</u>	<u>\$ 6,311,059</u>	<u>\$ 6,182,283</u>	<u>\$ 6,425,769</u>	<u>\$ 6,770,121</u>
\$ 128,457,618	\$ 133,055,356	\$ 134,715,525	\$ 132,528,728	\$ 136,673,157	\$ 145,197,026
42,115,150	38,997,037	45,931,205	43,606,529	46,229,210	58,774,579
29,119,317	25,431,533	26,182,652	31,379,523	36,864,617	23,354,081
<u>\$ 199,692,085</u>	<u>\$ 197,483,926</u>	<u>\$ 206,829,382</u>	<u>\$ 207,514,780</u>	<u>\$ 219,766,984</u>	<u>\$ 227,325,686</u>
-0.29%	-1.11%	4.73%	0.33%	5.90%	3.44%

COUNTY OF LAKE

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2004-2005	2005-2006	2006-2007	2007-2008
Expenses				
Governmental activities				
General government	\$ 11,058,924	\$ 10,879,994	\$ 11,973,174	\$ 13,715,474
Public protection	31,251,022	32,802,892	36,627,134	37,743,276
Public ways and facilities	17,709,260	17,846,107	20,045,967	20,170,809
Health and sanitation	25,544,562	33,184,094	35,564,972	22,698,200
Public assistance	59,495,214	26,760,470	25,252,478	34,286,211
Education	1,031,435	1,174,779	1,424,273	1,364,334
Recreational and cultural services	880,363	1,057,238	903,185	1,200,640
Debt service:				
Interest and fiscal charges	874,512	799,792	933,711	862,712
Total governmental activities expense	147,845,292	124,505,366	132,724,894	132,041,656
Business-type activities				
Solid waste management	3,654,494	2,600,576	3,064,560	2,800,899
Total business-type activities expenses	3,654,494	2,600,576	3,064,560	2,800,899
Total primary government expenses	<u>\$ 151,499,786</u>	<u>\$ 127,105,942</u>	<u>\$ 135,789,454</u>	<u>\$ 134,842,555</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 5,288,833	\$ 3,511,720	\$ 3,481,398	\$ 3,829,049
Public protection	4,684,803	6,631,786	5,902,131	5,393,016
Public ways and facilities	7,113,871	6,161,617	7,163,899	7,948,728
Health and sanitation	8,168,102	7,313,527	7,339,464	8,047,289
Public assistance	396,139	111,738	298,525	75,856
Education	24,274	--	25,320	26,813
Recreational and cultural	86,622	29,924	100,084	52,598
Operating grants and contributions	85,789,149	56,790,887	70,189,286	68,767,430
Capital grants and contributions	4,502,313	4,193,475	3,831,901	6,150,223
Total governmental activities program revenues	116,054,106	84,744,674	98,332,008	100,291,002
Business-type activities				
Charges for services				
Solid waste management	2,360,679	2,402,339	2,301,626	1,876,406
Operating grants and contributions	109,696	95,437	132,879	--
Capital grants and contributions	--	--	--	--
Total business-type activities program revenues	2,470,375	2,497,776	2,434,505	1,876,406
Total primary government program revenues	<u>\$ 118,524,481</u>	<u>\$ 87,242,450</u>	<u>\$ 100,766,513</u>	<u>\$ 102,167,408</u>
Net (Expense)Revenue ¹				
Governmental activities	(31,791,186)	(39,760,692)	(34,392,886)	(31,750,654)
Business-type activities	(1,184,119)	(102,800)	(630,055)	(924,493)
Total Primary Government Net Expense	<u>\$ (32,975,305)</u>	<u>\$ (39,863,492)</u>	<u>\$ (35,022,941)</u>	<u>\$ (32,675,147)</u>

¹Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

Source: Basic financial statements and Comprehensive Annual Financial Reports - County of Lake, California

Fiscal Year					
2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
\$ 15,191,663	\$ 14,123,720	\$ 11,993,533	\$ 13,378,397	\$ 11,277,248	\$ 11,881,773
37,770,494	36,406,853	35,912,625	34,497,620	35,548,919	37,962,106
15,298,651	15,710,332	15,922,559	15,962,568	12,783,460	13,223,197
29,294,683	24,636,130	22,820,937	24,367,096	24,043,204	24,652,711
38,139,448	37,990,878	39,943,808	39,828,753	40,115,108	41,164,775
1,328,710	1,259,325	1,255,839	1,220,056	1,342,771	1,270,546
1,425,587	1,419,818	1,473,657	1,576,138	1,678,444	1,660,156
836,875	691,874	632,157	1,178,234	557,357	622,320
139,286,111	132,238,930	129,955,115	132,008,862	127,346,511	132,437,584
2,713,001	2,536,356	2,469,243	2,211,157	2,364,280	2,375,976
2,713,001	2,536,356	2,469,243	2,211,157	2,364,280	2,375,976
\$ 141,999,112	\$ 134,775,286	\$ 132,424,358	\$ 134,220,019	\$ 129,710,791	\$ 134,813,560
\$ 4,247,868	\$ 4,112,277	\$ 3,024,021	\$ 4,626,453	\$ 4,840,325	\$ 4,558,630
4,552,776	4,056,989	4,173,442	5,536,892	5,467,359	5,532,455
8,083,963	7,775,941	9,788,016	6,991,945	7,357,706	7,715,549
7,461,033	9,332,628	6,885,409	8,065,592	8,734,527	9,382,913
116,815	329,422	2,755,571	2,633,758	2,721,283	2,752,479
24,953	23,773	22,965	61,346	65,823	59,309
10,179	34,300	34,782	31,989	20,955	27,660
69,921,581	61,741,466	77,928,429	68,923,497	76,189,444	77,383,334
4,017,714	4,216,888	33,146	--	--	--
98,436,882	91,623,684	104,645,781	96,871,472	105,397,422	107,412,329
1,604,137	1,560,729	1,422,835	1,950,735	2,490,604	2,611,102
78,599	29,296	117,700	--	36,787	24,500
50,915	--	--	43,557	--	--
1,733,651	1,590,025	1,540,535	1,994,292	2,527,391	2,635,602
\$ 100,170,533	\$ 93,213,709	\$ 106,186,316	\$ 98,865,764	\$ 107,924,813	\$ 110,047,931
(40,849,229)	(40,615,246)	(25,309,334)	(35,137,330)	(21,949,089)	(25,025,255)
(979,350)	(946,331)	(928,708)	(216,865)	163,111	259,626
\$ (41,828,579)	\$ (41,561,577)	\$ (26,238,042)	\$ (35,354,195)	\$ (21,785,978)	\$ (24,765,629)

COUNTY OF LAKE

Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2004-2005	2005-2006	2006-2007	2007-2008
General Fund				
Reserved	\$ 1,228,694	\$ 2,054,085	\$ 5,231,364	\$ 6,326,743
Unreserved	16,837,610	21,907,491	18,578,831	20,053,680
Total general fund	<u>\$ 18,066,304</u>	<u>\$ 23,961,576</u>	<u>\$ 23,810,195</u>	<u>\$ 26,380,423</u>
All Other Governmental Funds				
Reserved	9,667,936	7,246,570	8,301,384	5,275,812
Unreserved, reported in				
Special revenue funds	23,458,286	24,785,727	26,648,214	32,778,028
Capital projects funds	2,885,597	4,492,838	7,730,794	6,366,317
Debt service funds	--	--	423,001	568,177
Total all other governmental funds	<u>\$ 36,011,819</u>	<u>\$ 36,525,135</u>	<u>\$ 43,103,393</u>	<u>\$ 44,988,334</u>

General Fund
 Nonspendable
 Restricted
 Assigned
 Unassigned
Total general fund

All Other Governmental Funds
 Nonspendable
 Restricted
 Committed
 Assigned
 Unassigned
Total all other governmental funds

¹ GASB Statement No. 54, which became effective in fiscal year 2010-11, requires that fund balance on a prospective basis as either: nonspendable, restricted, committed, assigned, or unassigned.

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Lake, California

Fiscal Year					
2008-2009	2009-2010	2010-2011 ¹	2011-2012	2012-2013	2013-2014
\$ 8,258,876	\$ 7,250,910				
20,424,700	23,155,570				
<u>\$ 28,683,576</u>	<u>\$ 30,406,480</u>				
15,204,419	12,160,247				
22,695,550	17,425,919				
(878,517)	3,665,185				
715,792	--				
<u>\$ 37,737,244</u>	<u>\$ 33,251,351</u>				
		\$ 6,916,240	\$ 7,088,602	\$ 6,706,342	\$ 5,885,169
		--	--	2,015,629	2,026,420
		25,647,051	17,126,695	11,109,483	11,165,436
		--	8,591,788	11,104,600	11,435,483
		<u>\$ 32,563,291</u>	<u>\$ 32,807,085</u>	<u>\$ 30,936,054</u>	<u>\$ 30,512,508</u>
		\$ 150,791	\$ 630,337	\$ 122,305	\$ 119,531
		41,772,626	43,606,529	52,011,370	54,858,345
		28,296	--	--	--
		4,248,478	2,503,527	1,434,109	725,232
		(4,870,530)	(124,491)	--	--
		<u>\$ 41,329,661</u>	<u>\$ 46,615,902</u>	<u>\$ 53,567,784</u>	<u>\$ 55,703,108</u>

COUNTY OF LAKE

Changes in Fund Balance, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year			
	2004-2005	2005-2006	2006-2007	2007-2008
Revenues				
Taxes	\$ 24,896,037	\$ 29,446,465	\$ 31,280,675	\$ 32,121,454
Licenses, fees and permits	3,018,083	2,882,631	2,486,157	2,475,955
Fines, forfeits and penalties	745,899	852,214	1,060,425	1,874,388
Use of money and property	1,218,287	2,977,726	3,956,785	3,309,161
Aid from other governments	93,242,683	66,189,628	75,676,696	76,862,863
Charges for services	20,491,103	22,148,468	20,867,976	22,107,287
Miscellaneous	5,310,854	5,494,183	3,258,280	2,631,729
Total revenues	148,922,946	129,991,315	138,586,994	141,382,837
Expenditures				
Current				
General government	9,903,201	10,443,096	11,388,679	13,300,494
Public protection	29,843,934	32,105,835	35,599,219	37,369,778
Public ways and facilities	12,303,268	10,784,201	12,580,650	13,301,673
Health and sanitation	25,347,352	32,513,253	35,366,892	21,913,523
Public assistance	59,336,519	27,139,180	25,184,446	34,304,905
Education	939,755	1,137,681	1,392,419	1,335,386
Recreational and cultural studies	617,824	795,542	866,627	1,048,130
Capital outlay	1,846,405	7,779,539	7,484,256	13,332,021
Debt service:				
Principal	1,911,074	1,936,206	1,551,366	1,864,601
Interest	899,163	862,970	943,659	874,538
Total expenditures	142,948,495	125,497,503	132,358,213	138,645,049
Excess of revenue over (under) expenditures	5,974,451	4,493,812	6,228,781	2,737,788
Other Financing Sources (Uses)				
Sale of capital assets	--	--	--	--
Issuance of debt	--	1,726,550	336,707	1,733,604
Transfers in	5,007,280	8,878,335	13,596,316	10,623,221
Transfers out	(4,909,412)	(8,878,335)	(13,622,316)	(10,646,591)
Total other financing sources (uses)	97,868	1,726,550	310,707	1,710,234
Extraordinary item	--	--	--	--
Net change in fund balances	\$ 6,072,319	\$ 6,220,362	\$ 6,539,488	\$ 4,448,022
Debt service as a percentage of noncapital expenditures	1.99%	2.38%	2.00%	2.19%

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Lake, California

Fiscal Year					
2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
\$ 33,579,002	\$ 31,908,945	\$ 32,015,353	\$ 29,700,077	\$ 28,721,507	\$ 30,418,057
2,439,661	2,339,530	2,158,435	1,526,890	1,586,157	1,639,524
1,919,549	1,603,104	1,521,854	1,403,169	1,350,796	2,042,188
1,964,120	1,536,185	853,184	889,588	821,702	784,963
72,864,304	71,060,080	78,611,207	70,908,303	73,588,236	79,582,404
20,728,894	22,080,881	23,772,486	23,775,821	24,526,056	24,995,147
2,431,929	2,200,331	1,845,524	1,479,837	1,667,602	1,445,443
<u>135,927,459</u>	<u>132,729,056</u>	<u>140,778,043</u>	<u>129,683,685</u>	<u>132,262,056</u>	<u>140,907,726</u>
13,759,431	12,682,018	11,119,073	12,797,285	10,449,689	11,203,454
35,961,703	35,067,956	34,420,143	33,628,059	34,807,737	36,944,048
13,566,794	14,010,963	13,634,029	14,348,741	12,738,425	13,513,470
24,489,667	19,629,888	18,868,614	20,075,903	19,869,322	20,819,573
37,865,392	37,562,101	39,569,238	39,726,870	40,029,613	40,990,894
1,283,321	1,201,881	1,201,233	1,183,787	1,311,071	1,232,850
1,230,385	1,245,487	1,261,247	1,397,606	1,497,568	1,481,271
8,687,735	12,020,157	9,330,350	8,288,210	8,777,884	10,757,313
3,201,617	1,789,286	1,844,738	1,518,663	1,514,425	1,602,478
855,514	708,752	664,653	1,026,808	579,292	648,112
<u>140,901,559</u>	<u>135,918,489</u>	<u>131,913,318</u>	<u>133,991,932</u>	<u>131,575,026</u>	<u>139,193,463</u>
(4,974,100)	(3,189,433)	8,864,725	(4,308,247)	687,030	1,714,263
--	--	275,688	1,455	2,254	289
16,910	435,249	864,504	4,500,000	4,500,000	4,500,000
5,835,007	12,540,849	3,733,489	6,547,693	2,887,464	3,374,574
(5,834,507)	(12,540,849)	(3,733,489)	(6,547,693)	(2,867,682)	(3,374,574)
<u>17,410</u>	<u>435,249</u>	<u>1,140,192</u>	<u>4,501,455</u>	<u>4,522,036</u>	<u>4,500,289</u>
--	--	--	5,330,342	--	--
<u>\$ (4,956,690)</u>	<u>\$ (2,754,184)</u>	<u>\$ 10,004,917</u>	<u>\$ 5,523,550</u>	<u>\$ 5,209,066</u>	<u>\$ 6,214,552</u>
3.07%	2.02%	2.05%	2.02%	1.71%	1.75%

COUNTY OF LAKE**Assessed Value of Taxable Property and Actual Value of Property
Last Ten Years**

Fiscal Year	Secured	Unsecured	Unitary	Exempt	Total Taxable Assessed Value	Total Direct Tax Rate
2004-2005	4,620,738,600	126,051,471	79,182,762	(183,727,454)	4,642,245,379	1.00000
2005-2006	5,106,020,899	143,606,842	87,713,207	(219,064,826)	5,118,276,122	1.00000
2006-2007	5,966,291,269	153,252,765	85,653,680	(237,072,260)	5,968,125,454	1.00000
2007-2008	6,664,955,553	164,470,378	94,113,572	(245,526,816)	6,678,012,687	1.00000
2008-2009	6,924,655,626	195,061,720	121,130,023	(280,850,654)	6,959,996,715	1.00000
2009-2010	6,641,695,302	188,631,595	121,130,023	(289,390,449)	6,662,066,471	1.00000
2010-2011	6,272,928,356	156,777,045	124,016,981	(302,459,343)	6,251,263,039	1.00000
2011-2012	6,485,607,299	154,746,722	133,434,108	(304,283,452)	6,469,504,677	1.00000
2012-2013	6,464,567,588	150,878,760	136,510,915	(297,286,619)	6,454,670,644	1.00000
2013-2014	6,416,886,271	151,069,565	141,146,170	(304,968,452)	6,404,133,554	1.00000

Source: Auditor-Controller, Property Tax Division

COUNTY OF LAKE

Property Tax Rates - Direct and Overlapping Governments Last Ten Years

Fiscal Year	Property Tax Rate Per \$100 of Assessed Value		Distribution of General Levy Property Taxes				
	Low	High	County	Cities	School District	Special District	Total Rate
2004-2005	1.00000	1.08404	25.51	2.44	58.62	13.43	100.00
2005-2006	1.00000	1.09816	25.88	2.35	58.41	13.36	100.00
2006-2007	1.00000	1.07360	26.00	2.36	58.13	13.51	100.00
2007-2008	1.00000	1.04997	26.08	2.38	57.95	13.58	100.00
2008-2009	1.00000	1.10080	26.10	2.41	57.91	13.59	100.00
2009-2010	1.00000	1.10080	26.10	2.41	57.95	13.55	100.00
2010-2011	1.00000	1.10253	26.09	2.37	58.00	13.53	100.00
2011-2012	1.00000	1.11674	26.09	2.35	58.07	13.49	100.00
2012-2013	1.00000	1.09600	26.09	2.32	58.14	13.45	100.00
2013-2014	1.00000	1.09600	26.20	2.33	58.04	13.43	100.00

(1) Rates shown represent a weighted average of the various school district tax rate areas within the County of Lake

Source: Auditor-Controller, Property Tax Division

COUNTY OF LAKE

**Principal Property Taxpayers
June 30, 2014 and June 30, 2005**

June 30, 2014:

Taxpayers	Type of Business	Net Assessed Secured Property Value	Percentage of Total Net Assessed Value	Total Secured Tax Levy Fiscal Year 2013-14	Percentage of Total Secured Tax Levy Fiscal Year 2013-14
Geysers Power Company LLC	Utility	394,121,004	6.07%	4,269,134	5.49%
Pacific Gas & Electric Co.	Utility	112,188,163	1.73%	1,228,413	1.58%
Bottle Rock Power Company	Utility	43,226,491	0.67%	468,135	0.60%
Gallo Vineyards Inc.	Agriculture	28,825,908	0.44%	311,864	0.40%
Brassfield Estate Vineyard	Agriculture	21,994,447	0.34%	237,662	0.31%
Worldmark	Resort	17,998,949	0.28%	195,919	0.25%
Smith M M Trustee	Resort	17,158,023	0.26%	178,589	0.23%
Pacific Bell Telephone Co.	Utility	14,276,685	0.22%	156,330	0.20%
Yolo County Flood Control	Utility	11,616,612	0.18%	125,334	0.16%
Wal-Mart	Retail	11,476,756	0.18%	124,312	0.16%
Ten Largest Taxpayers		672,883,038	10.35%	7,295,691	9.38%
All Other Taxpayers		5,825,401,026	89.65%	70,523,781	90.62%
Total		6,498,284,064	100.00%	77,819,473	100.00%

June 30, 2005:

Taxpayers	Type of Business	Net Assessed Secured Property Value	Percentage of Total Net Assessed Value	Total Secured Tax Levy Fiscal Year 2004-05	Percentage of Total Secured Tax Levy Fiscal Year 2004-05
Geysers Power Company	Utility	238,483,451	5.27%	2,386,210	4.87%
Pacific Gas & Electric Co.	Utility	55,127,088	1.22%	575,473	1.17%
Worldmark	Resort	15,930,691	0.35%	171,700	0.35%
Pacific Bell & Subsidiaries	Utility	14,812,127	0.33%	154,116	0.31%
Adventist Health Clearlake	Healthcare	11,330,140	0.25%	115,914	0.24%
Smith MM Trustee	Resort	11,196,590	0.25%	114,320	0.23%
Lakeside Community Hospital	Healthcare	8,869,245	0.20%	98,036	0.20%
Wal-Mart Stores Inc.	Retail	8,787,468	0.19%	91,047	0.19%
Ojai Ranch & Investment	Agriculture	8,352,900	0.18%	83,564	0.17%
Inland I Delaware Business Trust	Retail	7,486,048	0.17%	82,007	0.17%
Ten Largest Taxpayers		380,375,748	8.41%	3,872,388	7.91%
All Other Taxpayers		4,142,878,933	91.59%	45,111,928	92.09%
Total		4,523,254,681	100.00%	48,984,316	100.00%

Source: Auditor-Controller

COUNTY OF LAKE

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied	Collections within Fiscal Year of Levy		Collections in subsequent years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2004-2005	53,105,562	50,010,575	94.17%	2,137,216	52,147,791	98.20%
2005-2006	58,302,432	55,594,323	95.36%	2,322,673	57,916,996	99.34%
2006-2007	67,037,971	62,806,616	93.69%	3,126,226	65,932,843	98.35%
2007-2008	75,597,720	69,466,406	91.89%	4,488,736	73,955,142	97.83%
2008-2009	78,438,800	72,875,870	92.91%	4,504,526	77,380,396	98.65%
2009-2010	78,643,345	73,289,493	93.19%	4,219,695	77,509,188	98.56%
2010-2011	77,156,892	72,753,236	94.29%	2,636,523	75,389,758	97.71%
2011-2012	77,881,542	73,379,476	94.22%	1,512,616	74,892,092	96.16%
2012-2013	78,069,672	73,455,051	94.09%	1,613,883	75,068,934	96.16%
2013-2014	77,086,454	72,682,389	94.29%	257,606	72,939,995	94.62%

Source: Auditor-Controller

COUNTY OF LAKE

**General Governmental Tax Revenue by Source
Last Ten Fiscal Years**

Fiscal Year	Sales Tax			Motor Vehicle In- Lieu Taxes	Property Tax	Total	Annual Report Tax & Assmt
	Local	In-Lieu	Public Safety				
2004-2005	2,121,902	566,886	2,612,435	4,168,993	13,656,831	23,127,047	20,514,612
2005-2006	1,912,964	665,668	2,536,107	5,478,805	16,644,657	27,238,201	24,702,094
2006-2007	2,254,325	638,927	2,983,376	5,853,064	17,677,555	29,407,247	26,423,871
2007-2008	2,121,469	873,494	2,823,313	6,529,221	17,818,856	30,166,353	27,343,040
2008-2009	2,151,152	622,269	2,555,488	6,763,765	18,774,227	30,866,901	28,311,413
2009-2010	1,610,599	727,854	2,461,997	6,766,796	18,260,290	29,827,536	27,365,539
2010-2011	1,790,652	394,926	2,482,403	6,667,341	18,081,302	29,416,624	26,934,221
2011-2012	1,835,086	645,430	2,574,800	6,578,037	15,633,257	27,266,610	24,691,810
2012-2013	2,056,878	701,342	2,803,027	6,551,325	16,036,647	28,149,219	25,346,192
2013-2014	1,998,735	712,778	2,837,615	6,639,896	17,801,600	29,990,625	27,153,009

Source: Auditor-Controller

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COUNTY OF LAKE

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Years	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	Loans Payable	Revenue Bonds	Certificates of Participation
2004/2005	1,177,000	3,269,000	18,664,523		-
2005/2006	1,066,000	2,508,000	17,637,743		2,501,588
2006/2007	953,000	2,160,000	16,580,883		2,806,495
2007/2008	824,000	1,781,000	16,992,568		2,773,196
2008/2009	691,000	1,370,000	14,373,404		2,738,496
2009/2010	550,000	927,000	13,656,377		2,702,396
2010/2011	405,000	451,000	13,334,843		2,664,296
2011/2012	253,000	404,000	12,056,511	4,500,000	2,625,396
2012/2013	144,000	356,000	10,740,086	4,500,000	2,584,396
2013/2014	75,000	304,000	9,386,407	4,415,000	2,541,596

Governmental Activities				
Capital Lease Payable	Total	Total Primary Government	Percentage of Personal Income	Per Capita
-	23,110,523	23,110,523	1.32%	365
7,380	23,720,711	23,720,711	1.26%	370
5,675	22,506,053	22,506,053	0.12%	350
3,755	22,374,519	22,374,519	0.11%	349
16,910	19,189,810	19,189,810	0.92%	300
-	17,835,773	17,835,773	0.85%	278
-	16,855,139	16,855,139	0.79%	260
-	19,838,907	19,838,907	n/a	314
-	18,324,482	18,324,482	n/a	284
-	16,722,003	16,722,003	n/a	258

COUNTY OF LAKE

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Years	General Bonded Debt Outstanding			Percentage of Personal Income	Percentage of Total Taxable Assessed Value	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Total			
2004/2005	1,177,000	3,269,000	4,446,000	0.25%	0.10%	70
2005/2006	1,066,000	2,508,000	3,574,000	0.19%	0.07%	57
2006/2007	953,000	2,160,000	3,113,000	0.16%	0.05%	49
2007/2008	824,000	1,781,000	2,605,000	0.12%	0.04%	41
2008/2009	691,000	1,370,000	2,061,000	0.10%	0.03%	32
2009/2010	550,000	927,000	1,477,000	0.07%	0.02%	23
2010/2011	405,000	451,000	856,000	0.04%	0.01%	13
2011/2012	253,000	404,000	657,000	n/a	0.01%	10
2012/2013	144,000	356,000	500,000	n/a	0.01%	8
2013/2014	75,000	304,000	379,000	n/a	0.01%	6

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COUNTY OF LAKE

Legal Debt Margin Information for Last Ten Fiscal Years ending June 30, 2014

	2005	2006	2007	2008
Total assessed value of all real and personal property	<u>\$ 4,825,972,833</u>	<u>\$ 5,337,340,948</u>	<u>\$ 6,205,197,714</u>	<u>\$ 6,923,539,503</u>
Debt limit percentage	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>
Debt Limit	\$ 60,324,660	\$ 66,716,762	\$ 77,564,971	\$ 86,544,244
Total net debt applicable to limit	<u>4,446,000</u>	<u>3,574,000</u>	<u>3,113,000</u>	<u>2,605,000</u>
Legal debt margin	<u>\$ 55,878,660</u>	<u>\$ 63,142,762</u>	<u>\$ 74,451,971</u>	<u>\$ 83,939,244</u>
Total net debt applicable to the limit as a percentage of debt limit	7.37%	5.36%	4.01%	3.01%

2009	2010	2011	2012	2013	2014
\$ 7,240,847,369	\$ 6,951,456,920	\$ 6,553,722,382	\$ 6,773,788,129	\$ 6,751,957,263	\$ 6,709,102,006
1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
\$ 90,510,592	\$ 86,893,212	\$ 81,921,530	\$ 84,672,352	\$ 84,399,466	\$ 83,863,775
2,061,000	1,477,000	856,000	657,000	500,000	379,000
\$ 88,449,592	\$ 85,416,212	\$ 81,065,530	\$ 84,015,352	\$ 83,899,466	\$ 83,484,775
2.28%	1.70%	1.04%	0.78%	0.59%	0.45%

COUNTY OF LAKE

Demographic and Economic Indicators Last Ten Fiscal Years

(1) Year	(2) Population	(3) Personal Income	(3) Per Capita Personal Income	(4) School Enrollment	(5) Unemployment Rate
2005	63,250	1,753,722,000	27,309	9,637	6.7%
2006	64,105	1,878,282,000	28,993	10,244	6.6%
2007	64,276	1,939,920,000	30,077	9,192	7.20%
2008	64,059	2,089,364,000	32,099	9,804	10.20%
2009	64,025	2,080,699,000	31,874	9,663	15.60%
2010	64,053	2,107,287,000	32,543	8,857	18.10%
2011	64,784	2,146,801,000	33,375	8,734	17.70%
2012	63,266	1,768,039,281	46,477	9,223	15.83%
2013	64,531	1,817,010,275	47,401	9,145	13.41%
2014	64,699	N/A	N/A	9,016	10.56%

Detail of estimated population, as of January 1, 2014

Incorporated Cities:

Clearlake	15,194
Lakeport	4,807
Total Incorporated	20,001
Unincorporated	44,698
Total Population	64,699

Notes:

(1) Calendar year

Sources:

- (2) California Department of Finance, Demographic Research Unit as of January 1
- (3) U.S. Department of Commerce, Bureau of Economic Analysis
- (4) California Department of Education
- (5) Employment Development Department, Labor Market Information Division

COUNTY OF LAKE

Principal Employers

	Fiscal Year 2013/2014			Fiscal Year 2005/2006 ¹		
	Permanent Employees	Rank	Percentage of Total County Employment	Permanent Employees	Rank	Percentage of Total County Employment
Top 10						
County of Lake	832	1	13.72%	850	2	12.47%
Sutter Lakeside Hospital	370	2	6.10%	472	3	6.92%
St. Helena Hospital Clearlake	370	3	6.10%	320	4	4.69%
Robinson Rancheria Resort & Casino	325	4	5.36%	300	5	4.40%
Konocti Unified School District	313	5	5.16%	1,450	1	21.26%
Calpine Corp.	280	6	4.62%	200	10	2.93%
Twin Pine Casino	263	7	4.34%	236	8	3.46%
Wal-Mart	260	8	4.29%	262	6	3.84%
Shannon Ranches Inc.	235	9	3.88%	-	-	0.00%
Harbin Hot Springs	218	10	3.59%	-	-	0.00%
Konocti Vista Casino Resort	-		0.00%	220	9	3.23%
Konocti Harbor Resort & Spa	-		0.00%	250	7	3.67%
Total-Top 10	3,466		57.16%	4,560		66.87%

¹Data for ten years ago is not available

Source: Lake County Marketing Department as of 9/30/14

COUNTY OF LAKE

County Employees by Function/Program

	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>
Air Quality	5.000	5.000	5.000	5.000	5.000
Economic Development	2.600	4.600	4.800	5.800	5.800
Flood Control	4.000	5.000	6.000	5.000	5.000
General Government	104.300	112.300	113.700	118.050	120.450
Health Services	139.100	141.600	162.600	152.750	152.300
Public Assistance	183.500	185.000	190.000	204.000	198.000
Public Protection	351.750	368.050	379.050	371.250	362.750
Public Ways	34.000	34.000	34.000	34.000	34.000
Recreation, Culture and Education	16.775	18.775	23.450	25.700	25.700
Solid Waste	19.000	18.000	18.000	19.000	18.800
Water/Wastewater Utility	40.000	40.000	41.000	41.000	41.000
	900.025	932.325	977.600	981.550	968.800

Notes:

Allocated positions on July 1 of each fiscal year.

Full time equivalent, permanent positions only, split department employee shown in home department.

Source:

Final Budget Book

<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
5.000	5.000	5.000	5.000	4.600
5.800	4.300	4.800	2.800	1.800
5.000	6.000	6.000	5.750	6.750
117.350	111.950	108.950	112.200	109.300
124.050	122.300	121.900	124.400	139.900
197.500	219.500	210.000	217.000	231.750
357.150	348.200	333.650	331.250	338.050
33.000	33.000	33.000	33.000	34.000
23.700	23.700	23.700	23.700	22.700
19.000	15.000	14.000	14.000	13.800
42.000	43.000	42.000	42.000	45.000
929.550	931.950	903.000	911.100	947.650

COUNTY OF LAKE

Operating Indicators by Department/Function Last Ten Fiscal Years

Department/Function	2005	2006	2007	2008	2009
Assessor					
Total number of assessment roll units:					
Secured	62,711	62,728	62,820	63,094	63,154
Unsecured	7,920	8,128	8,253	8,266	7,898
Community Development					
Building permits issued	679	592	1,556	1,209	936
Building inspections conducted	n/a	9,684	7,778	6,888	4,734

Source: Community Development Department

County Clerk/Auditor-Controller					
Certified copies of confidential marriage licenses	21	20	12	11	18
Confidential marriage licenses	10	8	5	4	7
Deputy commissioner for a day	24	26	24	22	37
Fictitious business name statements	600	657	601	923	513
Legal document assistant filings	1	1	0	2	0
Marriage ceremonies performed	89	152	114	99	89
Notary public filings	107	90	63	47	40
Process server filings	10	5	7	5	6
Public marriage licenses	297	316	307	285	299
Unlawful detainer assistant filings	1	0	1	0	1

All figures are based on a fiscal year calculation. The information provided is as of 06/30/14.
The County Clerk's office is the primary source for information gathered

District Attorney					
Filed Infractions	67	182	299	122	41
Filed felonies	702	773	758	713	761
Filed misdemeanors	2,423	2,540	2,166	2,169	2,404
Number of cases received	5,486	5,476	4,695	4,083	4,687
Total # of cases filed	3,192	3,495	3,223	3,004	3,206

All figures are based on a calender year calculation. The information provided is as of 12/31/13.
The District Attorney's office is the primary source for information gathered.

Probation					
# of Adults Supervised	743	786	825	742	713
# of Juveniles Supervised	386	424	381	220	210
# of Informal Juvenile Cases	27	33	27	67	188
Avg Juvenile Hall population	36	34	39	32	22
# of Adult Reports	1,141	1,063	928	966	848
# of Juvenile Reports	228	313	568	322	395
Civil Reports	n/a	n/a	n/a	n/a	n/a

All figures are based on a calender year calculation. The information provided is as of 12/31/13.
The Probation office is the primary source for information gathered

2010	2011	2012	2013	2014
63,154	63,141	63,093	63,082	63,079
7,898	7,792	7,454	7,155	7,330
976	818	855	737	691
3,336	2,632	2,681	1,311	2,922
15	16	14	14	36
8	3	6	4	14
46	36	47	40	36
516	552	542	467	508
1	3	2	3	1
87	78	82	88	112
41	41	32	35	42
9	8	11	3	8
274	253	252	278	299
0	0	2	1	1
26	47	53	17	n/a
739	883	868	1,000	n/a
2,135	2,024	1,797	1,630	n/a
4,317	4,508	4,754	5,308	n/a
2,900	2,954	2,718	2,647	n/a
848	890	1,050	1,337	n/a
116	111	217	169	n/a
19	21	160	83	n/a
15	12	20	20	n/a
736	740	1,028	1,109	n/a
215	210	338	356	n/a
n/a	n/a	0	0	n/a

COUNTY OF LAKE

Operating Indicators by Department/Function Last Ten Fiscal Years

Department/Function	2005	2006	2007	2008	2009
Public Services					
Parks & Rec					
Acreage	243	243	244	244	244
Playgrounds	9	8	8	12	12
Baseball/Softball Fields	4	4	4	4	4
Soccer/Football Fields	n/a	n/a	n/a	n/a	n/a
Tennis Courts	3	3	3	2	2
Public Pools	1	1	1	1	1
Community Centers	n/a	n/a	n/a	n/a	n/a
Veterans Buildings	1	1	1	1	1
Day use & camping parks	22	22	23	23	23
Open space areas (County Developed)	1	1	1	1	1
Outdoor event centers (i.e. Fairgrounds, etc)	n/a	n/a	n/a	n/a	n/a
Solid Waste					
Waste recycled (tons per month)	2,129	1,889	2,585	3,000	3,000
Landfill waste disposal (tons per month)	4,037	3,441	4,439	4,250	4,150
Museums					
# of museums	2	2	2	2	2

Data is as of December 31 of each fiscal year.

Source: Lake County Public Services Department

Library

* Volumes in Collection	117,638	118,204	133,132	139,697	145,655
*Volumes Borrowed	168,866	170,277	179,696	201,072	223,268

All figures are based on a fiscal year calculation. The information provided is as of 06/30/14.

*The information provided by the Library is from an automation system that belongs to Sonoma County Library and is print

Public Works

Streets (miles)	613	613	613	613	612
Streetlights	7	7	7	7	7
Traffic Signals	3	3	3	3	3
Seawalls	6	6	6		6
Bridges	115	115	113	113	113
Roads heavy equipment	62	61	64	54	54
Airport	1	1	1	1	1

All figures are based on a fiscal year calculation. The information provided is as of 06/30/14.

The Public Works office is the primary source for information gathered

2010	2011	2012	2013	2014
------	------	------	------	------

1,788	1,788	1,790	1,790	1,790
12	12	12	12	12
4	4	4	4	4
n/a	n/a	n/a	n/a	n/a
2	2	2	2	2
1	1	1	1	1
n/a	n/a	n/a	n/a	1
1	1	1	1	1
24	24	25	25	25
1	1	1	1	1
n/a	n/a	n/a	n/a	n/a

3,000	3,000	2,240	2,184	2,378
4,052	3,400	2,475	4,681	5,064

2	2	2	2	3
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146,052	146,772	146,590	144,937	147,760
247,510	246,948	163,907	122,611	119,226

ed from their circulation figures

612	612	616	616	615.58
7	19	19	19	19
3	7	7	7	7
6	6	6	6	6
118	118	118	122	122
52	48	48	47	47
1	1	1	1	1

COUNTY OF LAKE

Operating Indicators by Department/Function Last Ten Fiscal Years

Department/Function	2005	2006	2007	2008	2009
Sheriffs Department					
Stations	2	2	2	2	2
Jail & Detention Facilities	1	1	1	1	1
Cases Written	5,110	5,260	5,143	4,736	5,615
Dispatch Calls	43,630	41,640	46,403	50,261	52,990
Citations issued	790	700	469	489	608
Avg. Daily inmate population	251	279	282	244	224

All figures are based on a fiscal year calculation. The information provided is as of 06/30/14.
The Sheriff's Office is the primary source for information gathered

Special Districts

Water

Water Mains (miles)	76	78	85	86	86
Pump Stations	n/a	n/a	21	21	21
Fire Hydrants	263	268	268	268	268
Storage Capacity (thous. of gallons)	2,652	4,692	3,902	3,902	3,912
Wells	n/a	n/a	15	15	15
Meters	n/a	n/a	4,149	4,263	4,283
Treatment Facilities	n/a	n/a	18	18	18

Wastewater

Collection System (mi)	242	242	312	316	316
Force Mains (mi)	n/a	11	38	38	38
Lift Stations	64	64	66	66	66
Capacity (AWWF-Mgal/day)	n/a	n/a	22	22	22
Manholes	n/a	n/a	3,939	3,939	3,939
Treatment Facilities	n/a	n/a	4	4	4

All figures are based on a fiscal year calculation. The information provided is as of 06/30/14.
Lake County Special Districts is the primary source for information gathered

2010	2011	2012	2013	2014
3	3	4	5	4
1	1	1	1	1
5,895	5,352	5,394	5,038	5,421
51,240	53,137	58,868	54,408	56,539
501	514	346	422	453
227	212	264	308	333

148	148	148	148	148
21	21	21	21	21
450	454	454	454	454
3,902	3,902	3,902	4,002	4,062
19	20	22	22	22
4,330	4,330	4,330	4,330	4,330
18	18	18	18	18

316	316	316	316	316
92	92	92	97	97
67	67	67	67	67
22	22	22	22	22
3,940	3,940	3,940	3,941	3,941
4	4	4	4	4